City of Highland Park

Community Development

1150 Half Day Rd.
Highland Park, Illinois 60035
847.432.0867
cityhpil.com

Mr. William Pluta
Strategic Planning and Research Department
111 E. Wacker Drive – Suite 1000
Chicago, IL 60601
wpluta@ihda.org

Dear Mr. Pluta:

On behalf of the City of Highland Park, I am pleased to submit the City's Affordable Housing Plan pursuant to the Affordable Housing Planning and Appeals Act. In addition to the plan, I have enclosed a certified copy of the City Council Resolution approving the Plan and authorizing its submission to IHDA.

I also have mailed you a hard copy of this submittal for your records.

Please contact either me directly or Senior Planner Charmain Later at the department main phone number 847-432-0867 or via Ms. Later's email at clater@cityhpil.com if you have any questions. Thank you for your time and consideration.

Regards,

Joel Fontane

Joel J. Fontane, AICP
Community Development Director

Attachments

CITY OF HIGHLAND PARK

1707 ST. JOHNS AVENUE
HIGHLAND PARK, ILLINOIS 60035
(847) 432-0800

CITY OF HIGHLAND PARK
COUNTY OF LAKE } **SS**
STATE OF ILLINOIS

I, Ashley Palbitska, Deputy City Clerk of the City of Highland Park, in the County of Lake, State of Illinois, do hereby certify that I am keeper of the records, ordinances, files and seal of said City, and;

I HEREBY CERTIFY that the attached records are a true and correct copy of **RESOLUTION R79-2020**, titled "**A RESOLUTION APPROVING THE CITY'S 2020 AFFORDABLE HOUSING PLAN**", passed and approved by the City of Highland Park City Council on **JUNE 8, 2020**, all as appears from the records in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said City of Highland Park, this 11th day of June, 2020.

Ashley Palbitska, Deputy City Clerk

Return To:

City of Highland Park
Deputy City Clerk
1707 St Johns Avenue
Highland Park, IL 60035

CITY OF HIGHLAND PARK

RESOLUTION NO. R79-2020

A RESOLUTION APPROVING THE CITY'S 2020 AFFORDABLE HOUSING PLAN

WHEREAS, the Illinois Affordable Housing Planning and Appeals Act, 310 ILCS 67/1 *et seq*. ("***Act***"), encourages counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their communities; and

WHEREAS, pursuant to the Act, requires that local governments in which less than 10% of its total year-round housing units are affordable must prepare an affordable housing plan every five years; and

WHEREAS, on December 28, 2018, the Illinois Housing Development Authority ("***IHDA***") informed the City that it is a non-exempt local government, because the percentage of affordable housing units in the City is 9.3%; and

WHEREAS, of the 46 local governments determined by IHDA to be non-exempt under the Act, the City has the highest percentage of affordable housing units; and

WHEREAS, the City has actively implemented an affordable housing program, including adoption of the Affordable Housing Needs and Implementation Plan as an element of the City of Highland Park Master Plan in January 2001, which Plan was updated in March 2003; and

WHEREAS, the City has created the Affordable Housing Trust Fund in May 2002, establishing the Highland Park Illinois Community Land Trust (now Community Partners for Affordable Housing) and adopted an Inclusionary Zoning Ordinance in 2003; and

WHEREAS, the City also adopted an affordable housing plan pursuant to the Act in 2005 and an update to that 2005 plan in 2015, in accordance with the Act; and

WHEREAS, the number of affordable housing units in the City has increased from 213, when the Act was adopted, to 1,056 as of the effective date of this Resolution; and

WHEREAS, the City now desires to adopt an updated affordable housing plan, in accordance with the Act (***"2020 Affordable Housing Plan"***); and

WHEREAS, on May 6, 2020, the Highland Park Housing Commission reviewed the 2020 Affordable Housing Plan, and voted to recommend that the City Council adopt the 2020 Affordable Housing Plan; and

WHEREAS, the City Council has determined that it will serve and be in the best interests of the City and its residents to adopt the 2020 Affordable Housing Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HIGHLAND PARK, LAKE COUNTY, ILLINOIS, as follows:

SECTION ONE: RECITALS. The foregoing recitals are incorporated into, and made a part of, this Resolution as findings of the City Council.

<u>SECTION TWO</u>: <u>ADOPTION OF THE 2020 AFFORDABLE HOUSING PLAN</u>. The City Council hereby approves and adopts the 2020 Affordable Housing Plan, in the form attached to this Resolution as **Exhibit A**.

<u>SECTION THREE</u>: <u>FILING OF PLAN WITH IHDA</u>. The City Manager is hereby authorized and directed to file a copy of the 2020 Affordable Housing Plan with IHDA, in accordance with Section 25 of the Act.

<u>SECTION FOUR</u>: <u>EFFECTIVE DATE</u>. This Resolution will be in effect from and after its passage and approval in the manner provided by law.

AYES: Mayor Rotering, Councilmen Stolberg, Stone, Kaufman, Blumberg, Knobel, Holleman

NAYS: None

APPROVED AS AMENDED: June 08, 2020

ADOPTED AS AMENDED: June 08, 2020

RESOLUTION NO. R79-2020

Nancy R. Rotering, Mayor

ATTEST:

Ghida S. Neukirch, City Clerk

{00115033.1}

City of Highland Park Affordable Housing Plan 2020

Introduction and Background

The Illinois Affordable Housing Planning and Appeals Act (AHPAA), Public Act 093-0595, was adopted by the Illinois General Assembly in 2003. Effective January 1, 2004, communities that were identified by the Illinois Housing Development Authority (IHDA) as having less than 10% of affordable housing were defined as "non-exempt" from the requirements of the Act.[1] On December 28, 2018, IHDA notified the City of Highland Park that it continues to be a non-exempt community.[2]

Pursuant to AHPAA, non-exempt communities are required to submit an affordable housing plan to IHDA within 18 months of notification. The plan must identify the number of affordable housing units that are necessary to exempt the community from the Act, identify lands within the jurisdiction that are most appropriate for the construction of affordable housing, identify possible incentives that the local government may provide to attract the development of affordable housing, and identify the selection of one of three prescribed goals to increase local affordable housing stock.

One of the goals recommended in the Act is to require a minimum of 10% of affordable housing within its jurisdiction. The City of Highland Park continues its commitment to meeting this goal through its Inclusionary Housing Zoning requirements. The City of Highland Park submits this Affordable Housing Plan to restate its commitment to increasing the number of affordable housing units and to comply with all aspects of the Affordable Housing Planning and Appeals Act.

Highland Park's Commitment to Affordable Housing

The City of Highland Park has long recognized the importance of providing affordable housing and has a history of taking action to address the community's affordable housing needs. The following provides a brief timeline of Highland Park's commitment to affordable housing.

- **1973:** The City established its Housing Commission in 1973.
- **1978:** Through the Housing Commission's efforts, the City opened its first affordable housing development in 1978 – The Frank B. Peers Building. This development is owned and operated by the City's Housing Commission and provides 67 affordable rental units serving seniors and persons with disabilities. The development is supported through the Federal Project-Based "Section 8" rental subsidy program, which pays fair market rental costs above 30% of each household's annual income.
- **1980:** The Housing Commission became the operator of the Walnut Place, a 68 unit development. Walnut Place is owned by the Highland Park Apartment Associates, a private entity separate and apart from the City of Highland Park and the Housing Commission. The development provides 56 rental units for seniors and persons with

[1] Public Act 093-0595 and its amendments are codified at 310 ILCS 67/1 et seq. ("Act").

2 IHDA's 2018 Non-exempt Local Governments: https://www.ihda.org/wp-content/uploads/2015/07/2018-NELG-List-Final.pdf

disabilities and 12 rental units for families, also made affordable through the Section 8 Program.

- **1982:** The Ravinia Housing Development was opened in 1982; it is owned and operated by the City's Housing Commission and provides 17 affordable rental units for families, also made affordable through the Federal "Section 8" Program.
- **1998:** The City supported the development of Sunset Woods Condominiums, a 60-unit affordable project for seniors. The development opened in 2002, and was financed with a combination of public and private funding, including Lake County's HOME Program, City land donation, and IHDA's Trust Fund program. The development provides 60 permanently affordable units for seniors, 46 privately owned condominiums and 14 rental units. The 14 rental units are owned by the Housing Commission and operated through a property management contract with Housing Opportunity Development Corporation (HODC)[3].
- **January 2001:** The City Council adopted an Affordable Housing Planning and Implementation Plan (AHP) as an element of the City's Comprehensive Master Plan.
- **May 2002:** The City established an Affordable Housing Trust Fund (HTF) to provide financial resources for affordable housing development and preservation. The HTF is funded primarily by a demolition tax and by fees required in lieu of providing affordable housing units per the City's Inclusionary Housing Ordinance. Additionally, the HTF is authorized to receive resources and property from both public and private sources.[4]
- **March 2003:** The City Council approved a resolution updating the 2001 AHP and reaffirming its recommendations.[5] As a result of the recommendations in the AHP, the City has taken on a number of initiatives designed to increase the number of affordable housing units.
- **March 2003:** The City launched a community land trust, the Highland Park Illinois Community Land Trust (HPICLT), now known as Community Partners for Affordable Housing (CPAH). CPAH is a private, non-profit, 501(c)(3) organization created for the benefit of the Highland Park community for the purpose of providing permanently affordable housing on the land that it owns. The Community Land Trust has created 61 units of permanently affordable housing in Highland Park since 2003, and has recently expanded its operations and partnerships with other north suburban communities.[6]
- **August 2003:** The City adopted an Inclusionary Housing Ordinance that requires 20% of the units in all new developments, with five or more units, be affordable.[7] As of October 2019, the Inclusionary Housing Ordinance has led to the addition of 5 permanently affordable homes, 15 affordable rental units, and commitments for an additional 28 units with either permanent or long-term affordability.

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[3] A third party property manager, who manages the 14 units owned by the City's Housing Commission.

[4] See Attachments 2-4- Ordinance, Housing Trust Fund; Brochure Housing Trust Fund; and Ordinance, Demo. Tax

[5] See Attachment 1- Affordable Housing Needs and Implementation Plan -2003

[6] See Attachment 5- CPAH 2018-2019 Annual Report and Brochures

[7] See Attachments 6- Ordinance, Article 21 Inclusionary Housing as Amended October 28, 2019

- **2019:** City Council adopts amendments to the City's inclusionary housing regulations to encourage the development of new affordable housing units by providing greater clarity, more certainty, and additional flexibility in meeting the affordable unit requirements. However, at least 15% (after market-rate unit bonuses) of units in new developments must be affordable.
  - The amendments: Clarify amenities required for affordable units, and fee waiver calculation,
  - Allow for partial payments in-lieu and payments in-lieu for fractional units,
  - Make market-rate unit bonuses by-right,
  - Distribute payments-in-lieu over a project's development; and
  - Requires that in addition to ownership units, that rental units also be affordable in perpetuity.

These changes are expected to encourage the creation and preservation of affordable housing in the community. The proposed change in the way the fees-in-lieu and cash payments are calculated should increase contributions to the Housing Trust Fund, which can then be used to further the preservation and development of affordable housing through the City's affordable housing grant-making activities. Additionally, the requirement that new rental units remain affordable in perpetuity guarantees permanent affordable housing options to multiple successive occupants, independent of fluctuations in the housing market.

IHDA's Assessment of Affordable Housing in Highland Park

IHDA's most recent report of Non-Exempt Local Governments from 2018 indicates that the number of Affordable Housing Units in Highland Park increased by 283 units since its last report in 2013.[8] The increase brings the City's proportion of units that are affordable to 9.3%, close to the 10% required to exempt the City from the reporting requirements of AHPAA. Highland Park now has the highest proportion housing units that are affordable of all municipalities within the State with less than 10% affordable units. In addition to the use of IHDA's estimating technique[9], the City continues to encourage IHDA to add a measure to its report to enable communities to report the number of their housing units that have permanent or long-term affordability requirements. Adding a measure of long-term and permanent affordability like this offers the following advantages:

- It is a true measure of affordability, because permanent and long-term affordability is not subject to shifting market forces;
- It further acknowledges community policy actions that expand the affordable housing stock

[8] IHDA's 2013 Non-Exempt list estimated the number of affordable housing units in Highland Park at 773.

[9] Examples of how IHDA estimates the number of affordable housing units within a community can be located in the Affordable Housing Planning and Appeals Act: 2018 Non-Exempt Local Government Handbook: https://www.ihda.org/wp-content/uploads/2015/07/2018-AHPAA-Handbook-Final.pdf

Affordable Housing Plan

The Affordable Housing Plan below is intended to comply with the requirements of the Affordable Housing Planning and Appeals Act.

1. **A statement of the total number of affordable housing units that are necessary to exempt Highland Park from the Affordable Housing Planning and Appeal Act (AHPAA)**

City of Highland Park Housing Units by Type	
Total Housing Units (U.S. Census, 2016 Annual Community Survey, 5-year est.)	**11,361**
10% of Total Housing Units (AHPAA's threshold number of affordable housing units)	**1,136**
Highland Park's Est. Total Affordable Housing Units (per IHDA's 2018 Report of Non-Exempt Local Governments)	**1,056**
Number of additional affordable units needed to exempt the City of Highland Park from AHPAA	**80**

2. **Identification of lands and structures most appropriate for affordable housing**

- Highland Park is a built-up community, with minimal amounts of developable land remaining. However, by virtue of Highland Park's Inclusionary Housing ordinance, which requires that at least 15% of the units in all developments that include a residential component of 5 or more dwelling units be set-aside as affordable housing, all sites that are suitable and zoned exclusively for residential development or mixed use including residential are suitable sites for affordable housing. [10]
- All sites currently under developed relative to their current zoning are potential sites appropriate for affordable housing. For example, sites where there are single homes in multi-family districts and sites where there are limited multi-family units in districts that allow for more intense multi-family development.
- Sites currently zoned industrial may be also be appropriate for residential redevelopment in the future. For example, the former Solo Cup Company site currently zoned for industry may provide a potential opportunity for a large multi-family residential development and the addition of affordable housing units through the application of the City's inclusionary housing requirements. The City has received a preliminary proposal for redevelopment of the site, which would include a mix of multi-family apartments, townhomes, and carriage houses.

[10] See Attachment 7, Map, Zoning Ordinance Districts

- The U. S. Navy is offering for sale and redevelopment 37 acres at the southern end of Fort Sheridan. This site also provides a potential opportunity for a large residential development which would also provide additional affordable housing units through the application of the City's inclusionary housing requirements.
- Construction has been completed for 52-unit, two phase, multi-family Planned Development at 807-833 Laurel Avenue. The project includes four rental units and three permanently affordable for-sale units.
- Construction has been completed for an 8-unit condominium development at 1633-1645 McGovern Street which includes one permanently affordable for-sale unit that was recently sold to a qualified buyer.
- Construction is underway on a 30-unit mixed-use development at 555 Roger Williams Avenue which when completed will include five affordable rental units.
- The City approved a proposal of a 161-unit multi-family development at 1850 Green Bay Road, which is currently under construction. The developer's Inclusionary Housing Plan includes providing 17 on-site affordable rental units, and providing a cash payment of $1.25 million to the Housing Trust Fund in lieu of providing the additional 10 affordable units required by the ordinance. These monies will be used to acquire and produce affordable housing units.

3. Incentives that Highland Park will provide to attract affordable housing

The following City policies provide incentives for the development of affordable housing:

- City Council recently approved a number of amendments to the Inclusionary Housing policy designed to provide more flexibility and clarity for meeting the requirements of the ordinance.
- The City's Inclusionary Housing Ordinance has always provided developers market rate unit and density bonuses designed to attract development and encourage affordable unit production by providing incentives that help defray the cost of affordable housing units. The October 2019 amendments to the City inclusionary housing code allow developments to take advantage of all the attributable bonuses available for any affordable units provided on-site by-right.
    - The recent Inclusionary Housing Ordinance amendments made the previously discretionary 0.5 market-rate unit density bonus a by-right, increasing the total by-right density bonuses allowed to 1.5 market-rate units for each affordable unit provided. The changes reduce uncertainty regarding allowable units.
    - The Inclusionary Housing ordinance also provides for a waiver of all development-related fees and costs attributable to the affordable units, including application fees, building permit fees, plan review fees, inspection fees, sewer and water tap fees, demolition permit fees, and the demolition tax.
    - The City Council has the authority to waive development impact fees attributable to the development of affordable units. To the extent any impact fees attributable

to affordable units are not waived, the Inclusionary Housing ordinance allows that such fees can be paid from the City's Affordable Housing Trust Fund.

- Developers of affordable housing in excess of the 20% affordable unit requirement in the Inclusionary Housing Ordinance, may apply for grants from the Affordable Housing Trust Fund.

4. Goal for purpose of compliance with the Illinois Affordable Housing Planning and Appeal Act

The City of Highland Park's goal for complying with the AHPAA is requiring a minimum of 10% of affordable housing within its jurisdiction. For the 2020 update, IHDA determined that the City of Highland Park within 0.7% of reaching the 10% goal for affordability, with an affordability rate of 9.3%. The City intends to continue to work towards this goal through the application of its Inclusionary Housing Ordinance and implementation of its Scattered Site Grant program.

Attachments:

1) Aff Hsg. Needs and Implementation Plan - 2003
2) Ordinance, Housing Trust Fund
3) Brochure, Housing Trust Fund
4) Ordinance, Demolition Tax
5) CPAH 2018-2019 Annual Report and Brochures
6) Ordinance, Article 21 Inclusionary Housing as amended October 28, 2019
7) Map, Zoning Ordinance Districts

Attachment 1

Affordable Housing Needs and Implementation Plan
And March 2003 Data Update

City of Highland Park

AFFORDABLE HOUSING NEEDS AND IMPLEMENTATION PLAN
Including 2003 Data Update

An Element of the City of Highland Park Master Plan

Prepared for:
Highland Park Housing Commission
Highland Park, Illinois

Prepared by:
The Nathalie P. Voorhees Center for
Neighborhood and Community Improvement
The University of Illinois at Chicago

Adopted: January 22, 2001
Updated March 10, 2003

CITY OF HIGHLAND PARK
INCORPORATED 1869

RESOLUTION NO. ______R32-03______

A RESOLUTION TO ACCEPT THE AFFORDABLE HOUSING NEEDS AND IMPLEMENTATION PLAN UPDATE AND STATUS REPORT

WHEREAS, on January 22, 2001, based on the recommendations of the City's Housing Commission and Plan Commission, the City Council adopted the "Affordable Housing Needs and Implementation Plan" as an element of the City of Highland Park Master Plan ("Affordable Housing Plan");

WHEREAS, the Affordable Housing Plan includes, among other things, recommendations for addressing the affordable housing needs of Highland Park;

WHEREAS, the Affordable Housing Plan recommendations include, among others, establishing an affordable housing trust fund, forming a community land trust, adopting an inclusionary zoning program, and facilitating employer assisted housing;

WHEREAS, pursuant to the Affordable Housing Plan, the Housing Commission, with the Community Development Department, has collected additional data on demographic and housing trends in relation to the City's affordable housing needs;

WHEREAS, the Housing Commission prepared a Memorandum dated February 25, 2003, providing such additional data and a status report on implementation, which Memorandum is attached to this Resolution as **Exhibit A**;

WHEREAS, due to the continuing, dramatic increase in home sales prices and the decline in the number of rental units, it is increasingly difficult for low- and moderate-income individuals and families who live or work in Highland Park to access affordable housing within the community;

WHEREAS, the recommendations included in the Affordable Housing Plan provide a comprehensive approach to addressing the City's affordable housing needs;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND PARK, LAKE COUNTY, ILLINOIS, as follows:

SECTION ONE: The foregoing recitals are hereby incorporated and made a part of this Resolution as findings of the City Council.

SECTION TWO: The Affordable Housing Needs and Implementation Plan Update and Status Report, as reflected in Exhibit A to this Resolution, is hereby accepted.

SECTION THREE: The data provided in Exhibit A demonstrate the continued need to preserve and expand the existing supply of affordable housing in Highland Park.

SECTION FOUR: The recommendations of the Affordable Housing Plan are hereby reaffirmed.

SECTION FIVE: The Housing Commission is hereby directed to continue its efforts to monitor affordable housing needs and implement the recommendations of the Affordable Housing Plan.

SECTION SIX: **EFFECTIVE DATE.** This Resolution shall be in full force and effect upon, but not before its passage and publication in pamphlet form in accordance with State statutes.

AYES:	Mayor Pierce, Councilwoman Barnes and Councilmen Mandel, Brenner, Koukos, Belsky and Kirsch
NAYS:	None
ABSENT:	None
PASSED:	March 10, 2003
APPROVED:	March 10, 2003
RESOLUTION NO.	R32-03

Daniel M. Pierce
Daniel M. Pierce, Mayor

ATTEST:
David W. Fairman
David W. Fairman, City Clerk

Memorandum

To: Mayor Daniel M. Pierce and City Council Members
From: Housing Commission
Date: February 25, 2003
RE: AFFORDABLE HOUSING NEEDS AND IMPLEMENTATION PLAN: UPDATE OF DATA RELATING TO AFFORDABLE HOUSING NEEDS AND STATUS OF IMPLEMENTATION

Introduction

On January 22, 2001, the City Council adopted the Affordable Housing Needs and Implementation Plan as an element of the City's Master Plan. The Affordable Housing Needs and Implementation Plan ("AHP") was developed by the Nathalie P. Voorhees Center of the University of Illinois at Chicago over a period of several months beginning in the summer of 1999 and prior to the availability of data from the United States 2000 Census. In addition, since the AHP was prepared, the Department of Community Development has collected and analyzed additional data relating to affordable housing needs in Highland Park.[1] Accordingly, the Housing Commission has prepared this update regarding housing trends in Highland Park.

Community Profile

Since the adoption of the AHP, data from the year 2000 Census has been published. Selected data regarding Highland Park, Lake County and the region are included herein to illustrate the demographics and housing supply of the community. Unfortunately, due to the inclusion of some data from the City of Highwood in Highland Park's census data, census data beyond total population and total housing units is not completely reliable for Highland Park.[2]

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[1] The Highland Park Code defines "affordable housing" as "decent, safe, sanitary, and appropriate housing that Low- and Moderate-Income Households can own or rent without having to devote more than approximately 30% of their gross income for monthly Housing Expenses [rent and utilities for rental housing; principal, interest, taxes and insurance for home ownership]." Low-income households are those whose incomes do not exceed 80% of the median income for the Chicago area, as defined annually by HUD and adjusted by household size; moderate-income households are those whose incomes do not exceed 120% of the median income for the Chicago area, or such higher income limit as may be established for a local, county, state, or federal housing program. (Title III, Ch. 33, Art. XI, Sec. 33.1133(A), Highland Park Code of 1968, as amended.)

[2] Information collected from certain multiple-family developments and residential group quarters located in the City of Highwood were unintentionally included in the Highland Park 2000 census data. These properties contain families, households and individuals that are tenants in rental buildings and typically have lower incomes than residents of Highland Park. The Census Bureau subsequently corrected the gross data reporting population, total number of housing units, number of vacant units, and number of residents of group quarters. However, other important data subsets –e.g., relating to the number of households, household income, family income, families below the poverty level, owner-occupied units, renter-occupied units, median gross rents, etc – have not been adjusted to account for the error.

Tables 1 and 2 illustrate selected demographic, economic, and housing characteristics of Highland Park. For certain data sets Highland Park is compared to the County and the region. The population of Highland Park declined by 537 persons between 1990 and 2000. Nevertheless, there was an increase of 226 housing units during the decade. The rental housing stock in the community decreased between 1990 and 2000. The stock of rental housing in Highland Park declined from 19.6 percent of total housing units in 1990 to at least17.9 percent in 2000 (and is likely lower for the reason noted in footnote 2). Even with the likely over count in the 2000 census, Highland Park's percentage of rental units versus owner-occupied units is significantly less than that found in the County and the region – 17.9 percent of total housing units locally compared with 22 percent in Lake County and 35 percent in the region. While home ownership provides many benefits, having a limited supply of rental units forecloses a viable housing choice to numerous households that currently work in the City and may potentially choose to live in Highland Park. Further, there is an extremely tight market for both existing owner-occupied and rental housing in the City. These low vacancy rates tend to push up home prices and rents as households that are potential occupants compete aggressively for a limited supply of available units. For comparison purposes, Highland Park's year 2000 rental vacancy rate was 3.2 percent compared to 5 percent in Lake County as a whole.

Table 1
COMPARISON OF SELECTED ECONOMIC, HOUSING, AND DEMOGRAPHIC CHARACTERISTICS FOR 1990 AND 2000

City of Highland Park	2000	1990
Population	30,038	30,575
Households	11,500	11,023
Housing Units	11,662	11,436
Owner Occupied (Percent)	82.1%	80.4%
Renter Occupied (Percent)	17.9%	19.6%
Owner-Occupied Vacancy Rate (	1.1%	4.0%
Rental Vacancy Rate (Percent)	3.2%	4.0%

Highland Park is an extremely affluent community, particularly compared to the County and the region, as illustrated in Table 2. Again, the comparisons described in the Table and in the narrative are likely more pronounced than the reported data indicate for the reason noted in footnote 2. In 2000, the Median Family Income and Median Household Incomes in Highland Park were 153 percent and 150 percent higher than that found in Lake County and more than 190 percent higher than that of the region. The median value of owner-occupied housing in Highland Park is 191 percent and 230 percent of that found

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Consequently, it is highly likely that the 2000 census data reported overstate the number and portion of households residing in Highland Park with incomes in the categories under $100,000, the percentage of renter-occupied units, the percentage of families below the poverty level, and median gross rent. For the same reason, it is also highly likely that the 2000 census data understate the median family income, median household income, the percentage of owner-occupied units, and median gross rent.

in Lake County and the region, respectively. Median Gross Rents in Highland Park are 125 percent and 137 percent of that found in Lake County and the region. The high price of owner-occupied and rental housing will act to reduce the economic diversity of the community since more affordable housing options are limited.

Table 2
COMPARISON OF SELECTED ECONOMIC, HOUSING, AND DEMOGRAPHIC CHARACTERISTICS: HIGHLAND PARK, LAKE COUNTY, AND NORTHEASTERN ILLINOIS

Characteristic	Highland Park(1)	Lake County	Northeastern Illinois (6-County)[3]
Median family income	$117,235	$76,424	$60,272
Median household income	$100,967	$66,973	$51,995
Median value owner-occupied units	$380,000	$198,200	$165,012
Median gross rent	$931	$742	$680
Owner-occupied units	82.1%	77.8%	64.5%
Renter-occupied units	17.9%	22.2%	35.5%

Trends in Home Prices

The AHP showed that from 1993 to 1999 the median sales price for homes in Highland Park increased by 19.9 percent, from $276,950 to $332,000. This trend has continued into the 21st century. The median home sales price for 2001 was $385,000, a 16 percent increase over the median sales price of 1999.[4] The median home sales price has continued to increase steadily, reaching $430,000 in 2002.[5] A minimum household income of approximately $141,900 – or 188% of the 2002 Chicago area median income for a household of 4 - is needed to afford a home at that price.

For new construction, the sale prices are even more dramatic. In 2002, the median sales price for new single-family detached homes was $1,120,000. The least expensive of these homes sold for more than $550,000 (more than double the cost that a typical family of four at 100% of the Chicago AMI can afford). The 2002 median sales price for newly constructed condominium units, excluding the newly developed Sunset Woods affordable condominium development for seniors, was $550,000.[6] Sunset Woods Condominiums,

[3] Cook, DuPage, Kane, Lake, McHenry, and Will Counties
[4] North Shore/Barrington Board of Realtors; calculation by Highland Park Department of Community Development.
[5] Id.
[6] Id.

the first new affordable housing built in Highland Park since 1983, was initiated by the City through its Housing Commission and developed as a public-private partnership, with the Housing Commission contributing the land and the City providing some zoning relief as well as waiving certain development-related fees.

Trends in Rental Units

According to 1990 and 2000 census data, Highland Park lost at least 103 rental units between 1990 and 2000, a decrease largely caused by condominium conversions and demolitions. Because the 2000 census data for the City of Highland Park includes information collected from multiple family developments, including rental developments, in the City of Highwood, the loss of rental units was likely much greater. During the 1990s, no known new rental units affordable to low-income households were built. From 1995 to the present, only 32 rental units – 16 one-bedroom units and 16 two-bedroom units – have been constructed. The average rentals for these units is $1,500 for the one-bedroom units and $2,000 for the two-bedroom units. The Housing Commission, through its Sunset Woods Housing affiliate organization, has retained ownership of 12 units in the Sunset Woods Condominiums. These 12 units have been rented to low-and very low-income elderly households.

Affected Households

The AHP targets low- and moderate-income households who live in Highland Park but who may not be able to afford to remain in the community, as well as those who work in Highland Park but are financially unable to live here. Subgroups of local residents and workers include single parent households, families with young children, senior citizens, young adults, and developmentally disabled residents and others with special needs.

Recent employment data shows that of approximately 12,000 people who work in Highland Park, nearly 80% are employed in the service and retail sectors. The average annual salary in Lake County for retail and service sector employment is below $35,000 (see Table 3). A household with a single wage earner at a salary of $35,000 could afford a mortgage of approximately $105,000, or 24% of the 2002 median home sales price. A household with two wage earners, each earning $35,000, could afford a mortgage of approximately $210,000. Based on a periodic review of properties listed on the multiple listing service, few if any properties – particularly single family homes suitable for households with children – are available in Highland Park at that price. A household with a single wage earner making the average annual wage in the Retail or Service sectors would have to devote more than 30 percent of gross monthly income to afford the median gross rent of a unit in Highland Park.

Table 3
Highland Park Private Sector Industries
Number of Employees and Average Annual Wages, 2001[7]

Industries	# of Employees	Percent of Total Employees	Average Annual Wages Lake County
Construction	677	5.7%	$45,448
Manufacturing	807	6.8%	$59,124
Wholesale Trade	213	1.8%	$67,964
Retail Trade	3,256	27.3%	$25,220
Transportation & Warehousing	36	0.3%	$50,908
Services	6,215	52.0%	$34,996
Finance, Insurance and Real Estate	730	6.1%	$76,596
TOTAL	**11,934**	**100%**	**NA**

The response to the initial application round of the Housing Commission's Single-Family Home-Ownership Pilot Program further illustrates the local need and demand for affordable housing. With minimal marketing, the Commission received 62 applications for 5 units. (It has continued to receive inquiries from people who wish to apply but missed the initial deadline.) All but two applicants appeared to be income-eligible for the program; seven applicants were single-member households, which the program is not designed to serve. Nine of the remaining 53 conditionally eligible applicants have dropped out of the program as of the date of this report. Of the 44 active applicants on the waiting list, all but one live or work in Highland Park.

Status of Implementation

The status of each of the action steps included in the AHP is reported in the attached chart.

Conclusion

The dramatic increase in home prices and a decrease in rental housing over the past decade have made it progressively more difficult for individuals and families of low- and moderate-incomes to remain in or move to Highland Park. The limited housing options for such households also threatens Highland Park's strong tradition of inclusiveness and its ability to maintain and promote economic diversity within the community. It remains critical that the City continue its progress in implementing the recommendations of the AHP for addressing the affordable housing needs in Highland Park.

[7] Source: Illinois Dept. of Employment Security, Where Workers Work, March 2001.

AFFORDABLE HOUSING NEEDS AND IMPLEMENTATION PLAN

ACTION STEPS AS ADOPTED BY CITY COUNCIL ON JANUARY 22, 2001
STATUS AS OF FEBRUARY 2003

Recommendation	Responsibility	Short-Term 0 – 2 Years	Mid-Term 2 – 5 Years	Long-Term 5+ Years	Status
GENERAL					
Hire temporary staff person to initiate plan implementation	City of Highland Park	X			Housing Commission (through Peers Housing Association) engaged consultant in spring 2001
Collect data relative to the supply and demand for affordable housing in the city	HPHC, Community Development Department	X	X	X	On-going. Data update provided to City Council in Feb. 2003.
Assess data needs relative to affordable housing and develop mechanisms for collection of such data through ordinances or administrative procedures	HPHC, Community Development Department	X	X	X	To be done
Coordinate, monitor, report and publicize on the status of the affordable housing plan	HPHC, Community Development Department	X	X	X	On-going. Periodic updates provided to City Council; articles published in Highlander; presentations to groups
Appointment of affordable housing liaisons to the HPHC by pertinent commissions	Plan Commission, Historic Preservation, Human Relations, etc.	X			Joint HC/Plan Commission Subcommittee appointed to work on inclusionary zoning; coordination with other commissions to occur as appropriate

Recommendation	Responsibility	Short-Term 0 – 2 Years	Mid-Term 2 – 5 Years	Long-Term 5+ Years	Status
LAND TRUST AND TRUST FUND					
Strategic planning for development of land trust and trust fund	HPHC, City of Highland Park	X			Completed in January 2002.
Develop organizational structure of land trust and trust fund	HPHC recommendation to City Council	X			Framework recommendations for organizational structure of entities presented to City Council in January 2002.
Prepare and adopt ordinances establishing land trust and trust fund	HPHC and corporation counsel	X			Housing Trust Fund established by ordinance in May 2002; resolution directing Task Force to establish land trust adopted in May 2002; resolution pending supporting organization of land trust per Task Force recommendation scheduled for Council action in February 2003
Identify land trust and trust fund revenue sources	HPHC, city staff, land trust and trust fund entities	X	X	X	Demolition tax and demolition permit fees agreed upon as revenue sources. Revenue from sale of bond cap in 2002 designated for trust fund. On-going.
Prepare and adopt ordinances to implement land trust and trust fund revenue sources.	Corporation counsel, city council	X			Ordinance creating demolition tax, increasing demolition permit fee, and dedicating both to trust fund enacted in May 2002.
Prepare budget request to city for land trust and trust fund start up.	HPHC	X			Start-up funding proposal included as part of framework recommendations presented in January 2002.
Land trust and trust fund initiate property acquisition and other affordable housing activities	Land trust/trust fund entity	X	X	X	Trust fund entity is solely a funding source. It is developing policies for allocating funds to support affordable housing activities. Land trust entity will commence activities upon incorporation. Pending start-up of land trust, HC has undertaken a Single-Family Home Ownership Pilot Program.
Seek out donations/grants to land trust and trust fund	Land trust/trust fund entity	X	X	X	Land trust will seek donations/grants from private sources upon receipt of advance ruling granting tax-exempt status. Trust fund will explore other funding sources but, as a governmental project, does not anticipate being able to raise significant funds from private sources.

Recommendation	Responsibility	Short-Term 0 – 2 Years	Mid-Term 2 – 5 Years	Long-Term 5+ Years	Status
PUBLIC POLICY					
Amend the zoning Ordinance to require the provision of affordable housing units or a fee-in-lieu in all zoning districts and in planned unit developments, based on project thresholds (inclusionary zoning) and in "special opportunities" cases	HPHC, Plan Commission, City Council	X			Joint Plan Com/HC Subcommittee appointed fall 2001. Recommendations presented to City Council/PC workshop January 27, 2003. Public hearing on draft ordinance scheduled February 2003.
Establish fees recommended herein including: • Tear-down fee • New construction fee • Other fees	City Council	X			City Council adopted demolition tax and increased demolition permit fee in May 2002. The pending inclusionary zoning recommendations include a cash payment in lieu of providing actual units under certain circumstances; revenue from such payments would be paid to the trust fund. No other new fees/taxes are currently being considered.
Amend city codes to waive or reduce application, building permit, tap-on and other fees in cases of the provision of affordable housing units	City Council	X			The pending inclusionary zoning recommendations include fee waivers for affordable units.
Create a re-use plan for Fort Sheridan, which contains a provision for a certain percentage of housing to be developed as affordable housing.	HPHC, Plan Commission, City Council	X	X	X	To be done at the appropriate time.

ACKNOWLEDGEMENTS

The Nathalie P. Voorhees Center for Neighborhood and Community Improvement

The Highland Park Housing Commission has retained the University of Illinois at Chicago Nathalie P. Voorhees Center for Neighborhood and Community Improvement (VNC) and the Great Cities Institute (CGI) as consultants for assistance in reviewing existing conditions and trends, quantifying the need for affordable housing in Highland Park, and in formulating policies and programs to promote the development of affordable housing in the community.

The Nathalie P. Voorhees Center is an applied research and professional assistance unit of the College of Urban Planning and Public Affairs at the University of Illinois at Chicago. Its mission is to improve the quality of life for all residents of the metropolitan area through assisting organizations and local governments in efforts to revitalize the many and varied neighborhoods and communities in the City of Chicago and its suburbs.

Project Team

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We would like to thank the many organizations and individuals who helped us collect information for this report, including housing key informants, Highland Park employers, and the Lake County Affordable Housing Commission. The consultations we had with Camiros, LTD. were also very helpful to this process. Special acknowledgement is due to City of Highland Park staff and Highland Park Housing Commission members who made this project a priority and provided invaluable support.

TABLES AND APPENDIXES

EXECUTIVE SUMMARY

The Affordable Housing Implementation Plan for the City of Highland Park has been developed by the staff of the Nathalie P. Voorhees Center and the Great Cities Institute at the University of Illinois at Chicago working in conjunction with the Highland Park Housing Commission (HPHC) and planning staff. This report contains findings based on data collected to document changes in the population and housing affecting affordable housing demand in the past few years, and recommendations based on strategies that were deemed feasible and appropriate for helping the city of Highland Park preserve and develop affordable housing.

THE NEED FOR AFFORDABLE HOUSING

The City of Highland Park has a long history of offering a wide range of housing options to meet the community's needs. In the last decade, the mix of options has narrowed as the city has experienced change in its population and housing stock. Since 1990 there have been 1) an increase in housing values, 2) a decrease in the supply of affordable housing, and 3) a decrease in income diversity. Specific evidence of a growing need for affordable housing includes the following changes:

- The income diversity of Highland Park households has been decreasing through the 1990s, affecting specific groups identified below.
- At least 324 affordable rental units are estimated to have been lost since 1990.
- Between 1993 and 1999, the median sales price of a home increased 17.2%, from $238,750 to $332,000. A minimum annual household income of $108,000 is needed to afford the median 1999 home price of $332,000[1].
- The average home mortgage loan has increased 20% between 1993 and 1997.
- Since 1993, the share of home mortgages going to households making less than 80% of the metropolitan area median income has declined.

Based on the data and input from the community and city officials, the following five groups of people have been identified as being in need of affordable housing:

- workers employed in Highland Park who cannot afford to live in the city;
- seniors often living on fixed and limited incomes;
- single-parent families that are struggling due to a drop in income attributed to divorce or loss of a spouse;
- young households, many which grew up in the community, seeking starter homes; and
- persons with disabilities who require affordable and accessible housing.

[1] All dollars have been adjusted for inflation.

STRATEGIES AND RECOMMENDATIONS

Each group requires affordable housing, which, depending on their income level, may be in the form of rental or for-sale housing. In general, households with lower-income levels are expected to need rental housing. Regardless of tenure, three specific strategies have been identified that can help the city preserve and expand affordable housing options:

- establishing a land trust to preserve existing stock by taking it off the market and limiting appreciation;
- a trust fund to subsidize rehabilitation and new construction of affordable housing, as well as to become a depository of funds for the land trust; and
- employer-assisted housing to improve recruitment and retention of workers in the city.

In addition, several special opportunities have been identified where affordable housing can be incorporated:

- Fort Sheridan redevelopment, which may occur in the near future, can result in additional units of affordable housing for Highland Park if the city intervenes to accomplish such a goal;
- The city can use its regulatory and zoning powers to promote affordable housing, e.g., through establishing set-aside requirements, incentives, and fee waivers; and
- other large tracts of land that might become available in the future can also be used to build new affordable housing, either directly on-site or through the use of a fee to support development elsewhere.

IMPLEMENTATION

The proposed strategies and policies are viable vehicles for the city to accomplish its declared objective of promoting affordable housing through both the preservation of old stock and the construction of new developments. A number of sources of funding, including federal, state, and county programs that will assist the city in carrying out its commitment, have been identified in the report. A key to successful implementation of any of these strategies, in addition to continued commitment by city officials and leadership by HPHC, is the placing of staff with housing finance and development skills in charge of day-to-day operation of the proposed plan.

INTRODUCTION

The suburb of Highland Park distinguishes itself from its North Shore peers through a unique history of religious pluralism and deliberate tolerance. From its establishment in 1869, the Highland Park promoters and residents marketed the area as distinct from rival suburbs as an "inclusive" area to attract new residents.[2] This history of "inclusiveness" is reflected in 1874 by the Highland Park Building Company's promise of "great harmony" among residents, the absence of restrictive covenants, and the presence of an income mix of residents living in a diverse housing stock from mansions to affordable rental apartments in the central business area.

Highland Park has a history of inclusiveness

Beginning in 1970, there was a concern that the diversity of housing and residents was decreasing. This concern precipitated the formation of the highland Park Housing Commission in 1973. Since the establishment of the HPHC, there has been some development of affordable or government-assisted housing units in the city. Despite these efforts of HPHC, the conditions first recognized in 1970 have continued to intensify and threaten to change the Highland Park character and legacy of inclusiveness.

In this last decade of the twentieth century, Highland Park has become an increasingly attractive place to live. This has resulted in higher home prices and the conversion or demolition of many affordable housing units to make way for larger and/or more expensive homes. The upgrading and expansion of the central business district has also caused the demolition of rental housing that was home to lower income families. These events are squeezing out lower-income families and long-time residents on fixed incomes. The decrease in affordable units is also affecting the ability of local businesses to hire and keep employees, especially as the labor market remains tight and unemployment remains low.

The attractiveness of Highland Park has contributed to the demolition of affordable housing in the community

In May 1997, the Highland Park City Council adopted goals for the city's new master plan that included the goal "to preserve, maintain, and promote housing of high quality that reflects the community's commitment to cultural and economic diversity." The goals recognize the need to provide affordable housing that is an integral part of neighborhoods throughout the community, particularly for senior citizens, single parent households, developmentally disabled residents, and others with special needs, low- and moderate-income families, families with young children, young adults and employees who work in Highland Park but cannot afford to live here.

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[2] Ebner, M. Creating Chicago's North Shore, The University of Chicago Press: Chicago, 1988.

To implement the city's housing goals, the HPHC, the Human Relations Commission, the Historic Preservation Commission, and the Plan Commission recommended the development of an Affordable Housing Implementation Plan as part of the city's updated master plan. On November 23, 1998, the city council approved a resolution that directs HPHC to coordinate efforts to prepare such a plan as an element of the master plan, recognizes the need for affordable housing, and supports and seeks to increase affordable housing options in the city. HPHC has retained the University of Illinois at Chicago Nathalie P. Voorhees Center for Neighborhood and Community Improvement (VNC) and the Great Cities Institute (CGI) as consultants for this planning process. Specifically, HPHC sought assistance in quantifying the need for affordable housing in Highland Park and in formulating policies and programs to promote the development of affordable housing in the community.

OVERVIEW OF THE PLANNING PROCESS

Preparing the plan was an interactive process. Staff from VNC and GCI worked with HPHC members to finalize a scope of work and to identify key informants and others to contact for interviews and information. During the fall and winter of 1999, VNC and GCI staff completed the following tasks aimed at assessing and quantifying the affordable housing needs of Highland Park:

- Analyzed existing Highland Park population and housing data from the 1990 U.S. Census and 1999 projections from the Claritas marketing firm on population, housing, and income distribution.

- Analyzed existing data on housing prices and turnover in Highland Park using sales transaction data from Inter-Realty a real estate firm, needs ID for the 1993-98 period. Analyzed existing data on home prices from Multiple Listing Service for 1999.

- Analyzed existing Home Mortgage Disclosure Data (HMDA) to compare changes in mortgage loan dollars in Highland Park from 1993-97.

- Interviewed 13 key informants from affordable housing, fair housing, private developers, and other organizations in Highland Park and the surrounding area to determine their views on affordable housing issues and recommendations.

- Interviewed six top employers in Highland Park to determine whether their employees live and work in the area. Dun and Bradstreet and Illinois Department on Employment Security (IDES) data on the firms were also analyzed.

- Worked with City of Highland Park staff and consultants to obtain and review existing policies, building permit and code enforcement information, ordinances, and reports related to affordable housing initiatives.

- Reviewed what other cities similar to Highland Park have tried and adopted related to affordable housing initiatives.

While completing these tasks, the Voorhees Neighborhood Center and Great Cities Institute staff conferred with the members of HPHC and other commissioners from the Highland Park Planning and Human Relations Department, as well as city staff. VNC and GCI staff attended six meetings organized by HPHC to discuss findings and progress of the on-going research. In addition, the VNC and GCI staff assisted in the planning and organization of a community meeting on November 18, 1999, to present and discuss the preliminary findings with Highland Park residents. The estimated 75 persons who attended this meeting provided valuable feedback on community concerns. Two meetings with staff from Camiros and Associates were also held to clarify specific questions dealing with zoning-related issues.

Producing this document was also interactive, with staff providing drafts to HPHC members at different stages for review and comment. Feedback received was then incorporated into a final plan, which consists of three parts. Section One reviews existing conditions, providing an overview of trends and changes in the housing and people living in Highland Park since 1990. Section One also identifies different groups of people in the community that can benefit from affordable housing. Section Two lays out different strategies for preserving and producing affordable housing. This includes examples of how other communities have used these mechanisms and discussion of the potential opportunities and conditions that make certain strategies more applicable than others to Highland Park. Section Three describes policy initiatives that can be used to promote affordable housing in Highland Park, including special opportunities that may present themselves in the future. Section Four sets forth short-term, midterm, and long-term action steps to implement the affordable housing plan. Also included in the appendix is a detailed catalogue of various affordable housing programs and resources that the city can utilize when implementing the plan.

SECTION ONE: EXISTING CONDITIONS, TRENDS AND AFFORDABLE HOUSING NEEDS

In recent years, Highland Park has experienced a dramatic decrease in the proportion of lower-income households in relation to the number of higher-income households, a decrease in rental housing, and an increase in home prices. Together, these three factors are making it more difficult for families of lower and modest means to move to or remain in Highland Park.

HOUSEHOLD CHANGES

Highland Park is becoming less diverse in terms of household income levels

The number of households in Highland Park has increased slightly since 1990, from 11,023 to 11,131 (+1%). At the same time, the income diversity of Highland Park has been decreasing. As Table 1 shows, there were fewer households making less than $100,000 and more households making more than $100,000 in 1999 than there were in 1990.

Table 1: Comparison of Highland Park Household Income: 1990 and 1999

	1999		1990*	
	N	**%**	**N**	**%**
Total Households	11,131	100	11,023	100
Less than $50,000	2,467	22	5,595	50
$50-100,000	3,143	28	3,036	28
$100,000 or more	5,521	50	2,392	22

Source: U.S. Census 1990, Claritas, Inc. 1999.
*1990 dollars adjusted to 1999 dollars

Based on our review of the available data and interviews with key informants, the following five groups were identified as the households who are finding it increasingly difficult to afford to live in Highland Park: people working in Highland Park, seniors, younger households, single-parent families, and persons with disabilities. Below is a more detailed account of the particular conditions affecting each of these groups.

HIGHLAND PARK WORKERS

According to Dun & Bradstreet's Marketplace Analysis for January through March of 1999, more than 1,800 businesses were located in Highland Park. During this time period, total employment for these firms was more than 14,000 employees, for an average of eight employees per firm. Of these 14,000, it is estimated that 50%, or 7,000, make less than $50,000 a year.[3] Of these, it is estimated that 90% live outside of Highland Park.[4]

During the 1990s, the number of employers increased in Highland Park. According to the Illinois Department of Employment Security (IDES), the total number of employers in Highland Park increased by 17% (from 1,315 to 1,577) between 1990 and 1997. At the same time, the total number of employees remained relatively stable. However, IDES figures do not include workers not covered by unemployment insurance. Representatives from local firms and other local informants reported that a large and growing number of these workers exist in Highland Park. Such workers often operate in lower-wage, cash economy occupations, such as landscapers, maids, and people who serve local households in multiple capacities (from home repair and snow removal to childcare and nursing of the elderly). Most of these lower-wage workers have incomes well below $50,000 per year. The main finding of our key informant interviews was the strong interest on the part of most of the interviewees to provide affordable housing options to low-income workers, many of whom have been displaced by the redevelopment of the downtown.

In terms of professionals working in the city, the median salary for a fireman, police officer, or schoolteacher -- employees who play a vital role in Highland Park -- is about $50,000 per year. In addition, our survey of large local employers[5] indicates that many people employed in Highland Park earn less than $50,000 annually. Table 2 below shows that among the respondent firms

- larger firms tend to employ workers who are not residents of Highland Park.
- most employees of these firms do not live in Highland Park, and
- of employees who live in Highland Park, more than one-half earn less than $50,000 per year.

[3] This is based on information from key informant interviews.
[4] This percentage is based on the number of households in Highland Park with incomes less than $50,000 (2,467) and of which about 28% are within 15 minutes of their work (690). It assumes one wage earner per household.
[5] VNC staff attempted to survey all employers who: (1) had employer operations located in Highland Park, and (2) had 100 or more employees working at that Highland Park location. Of the 15 eligible firms initially approached for an interview, 13 were contacted by mail and two by phone; they are identified in Appendix 2. Six replied with a positive response to our interview request -- a 40% response rate. For further details, consult the survey located in Appendix 3.

Table 2: Highland Park Employer Survey Responses

Respondent	Total Number of Employees	Number of Employees living in Highland Park	% of Total Employees	% of HP Employees Earning less than $50,000 per year
Firm 1	140	--	10%*	--
Firm 2	1400	--	--	--
Firm 3 +	500	98	20%	57%
Firm 4	200	150	75%	100%
Firm 5	490	36	8%	42%
Firm 6 +	353	60	16%	--

(*) Indicates an estimate.
(--) Indicates data not available at time of interview.
(+) Indicates a public employer.

Generally speaking, workers who make less than $50,000 per year are more likely to rent rather than own. In Highland Park's downtown area, a significant number of units formerly occupied by lower-income workers have been torn down and replaced with higher-income units. This depletion of affordable housing further increases the need among Highland Park's workers. For example, a Latino construction worker who makes $25,000 per year rented on Green Bay Road until he was displaced by the development of Renaissance Place. He had shared the apartment with his family, for $800 per month, until the building was demolished. He looked for another apartment in Highland Park but could not find one for less than $1,000 per month, and therefore had to relocate outside of the city. He had been a resident for 10 years.

All employers interviewed agreed that affordable housing would improve their ability to hire and retain employees

Of those interviewed, private employers reported that less than 10% of their employees lived in Highland Park, and public employers reported that approximately 17-20% of their employees lived in the city.

❖ **Recruitment efforts toward professional, retail, service, and entry-level workers suffer from high home prices and rents in Highland Park.**

- In reference to retail, service, and entry-level jobs, employers agreed that employees of this kind are not easily found in Highland Park or even Lake County, and that the market for such employees is highly competitive. According to one public employer, recruitment difficulties forced the firm to recruit workers from as far away as Waukegan and Zion, Illinois; and Kenosha. Wisconsin

- According to a private retailer, "If we can't get good employees from other suburbs, there's no one in Highland Park to do the work and no workers means no money [for businesses] and no money means no businesses in Highland Park."

- The same issues may even be affecting recruitment and retention of professional employees. One public sector employer found that the high cost of housing in Highland Park restricted the organization's ability to hire professional and entry-level workers despite the firm's competitive salary and benefit structure. Another employer said that many of his professional employees experience "sticker shock" at the high cost of Highland Park housing.

- Many employers have had to raise wages above usual averages for particular occupations or had to cut services. These adjustments can result in higher prices for goods and services for local residents.

❖ **Distance to work can affect tardiness, absenteeism, and retention. This produces additional costs for businesses and additional demands and expenses for the City of Highland Park.**

- Several firms said that most of their employees live outside Highland Park. One retailer, in particular, said that many of their employees live in the City of Chicago.

- Most employers agreed that employees who lived outside of Highland Park faced more difficulties in terms of tardiness and absenteeism than local employees did. One retailer reported that many of her employees who do not own cars or have access to public transportation travel to work by bicycle. As such, inclement weather and seasonal changes (winter) force many of those workers to miss work or quit altogether.

All interviewed employers agreed that affordable housing would improve their ability to hire and retain employees. Most concurred that affordable housing would help alleviate the congestion, tardiness, and absenteeism problems related to a nonresident workforce.

With regard to the development of affordable housing, employers interviewed offered suggestions to the City of Highland Park. In general, most employers expressed interest in a collaborative effort, between the City of Highland Park and employers, to produce affordable housing. Some employers identified potential challenges to such a collaborative effort, including 1) the difficulty of involving nonlocal upper management, 2) previous failed efforts to create employer-assisted affordable housing, and 3) lack of available land in Highland Park.

Several employers expressed their concern for the kind and location of future affordable housing in Highland Park. In particular, two firms cited the need for any affordable housing in Highland Park to be located close to forms of public transportation. One firm suggested that affordable housing should be developed in concert with collaborative language and training programs for service and entry-level workers. One public employer said that any affordable housing in Highland Park should be "high quality" to protect property values. One private employer stated that the City of Highland Park should attempt to provide rental property in which professionals could live for $750-900 per month.

Based on our interviews and existing information, it is assumed that 700 units of housing would begin to alleviate the problems that low-income workers are facing trying to find affordable housing units close to their place of employment in Highland Park. This would boost the estimated number of Highland Park workers from 10 to 20% who could find affordable housing in the city.

SENIOR HOUSEHOLDS

Highland Park is targeting seniors for affordable housing

Senior households are 38% (937) of the estimated households in 1999 with incomes less than $50,000. The key informants interviewed for this study indicated that there is a need for affordable housing for seniors to accommodate a) retiring households with fixed, often single-source incomes; b) relatives of current residents who cannot afford to live in Highland Park; and c) seniors whose assets have been depleted by health and other large household expenses.

The number of senior households with incomes less than $50,000 decreased by approximately 600 from 1990 to 1999. Based on previous turnover trends in Highland Park, it may be assumed that 50% of these households moved for reasons other than affordability. [6] Thus, it is estimated Highland Park lost 300 elderly households in this income category because affordable housing units were unavailable.

A representative from one of the social service agencies described a case of a senior citizen on a fixed income who lives independently and pays $700 a month for a single room apartment above a retail store. The woman lives on her monthly fixed income of Social Security that is $800 a month. She has to rely on food stamps and Medicare to get by. Still, she had to sell her only material asset, her car, to be able to pay her rent and her $300 a month in health expenses not covered by Medicare. She has been a lifelong resident of Highland Park and worries about how long she can afford to continue to live in Highland Park under these conditions.

Highland Park is currently targeting low- to moderate-income senior households in their housing programs through a combination of the newly planned and existing assisted-housing developments. At this time, there are 124 units in two

[6] Based on 1990 census data, 54% of Highland Park households had moved into Highland Park within the last ten years (1980-1990) and 46% had lived in Highland Park more than 10 years.

federally financed assisted developments. Another 60 units will be added when a third development is completed. Despite these efforts, it is clear that more are needed.

YOUNGER HOUSEHOLDS

Since 1990 there has been an estimated 11% decline in the number of households ages in Highland Park headed by persons between the ages of 25 and 44. A number of young adults who grew up in Highland Park and are starting families of their own find that they cannot afford to move back to or stay in the community. These younger families are essential to providing a multigeneration mix that enhances the quality of life and diversity in the community.

Since 1990, there has been an estimated 11% decline in younger households

In 1999 it was estimated that 802 (20%) of the households headed by this age group make less than $50,000 a year. These younger households are 32.5% of all 1999 households making less than $50,000 a year.

The number of younger households with incomes of less than $50,000 decreased by 1,444 from 1990 to 1999. Assuming that 50% of these households moved for reasons other than affordability, approximately 700 units would be needed over the next decade to provide affordable housing opportunities for younger households in this income category alone.

SINGLE PARENT FAMILIES

Another group identified in interviews as being in need of affordable housing is single-parent families mostly characterized by divorced women with children. Their situation compares to the households above with lower incomes or those moving from a two-income to a single-income situation. For example, a Highland Park woman who was divorced with two children found herself back in the work force making around $30,000 a year as a day care coordinator. Her house is paid for but her reduced income and unreliable child support payments make paying the property taxes and the upkeep of the house difficult. The heating system and the roof need replacing in the next year or so. She is unsure how she is going to afford these repairs.

HOUSEHOLDS WITH DISABILITIES

Persons with disabilities often wish to live independently and their families want them to live nearby. However, often they work in low-paying occupations, and many disabled adults find it difficult to rent or buy in Highland Park. There are two social service agencies, Lambs Farm and Glenkirk, that provide housing for people with disabilities in the North Shore area. Currently, 10 adults from Highland Park are residents of Lambs Farm's main facility. Lambs Farm also has units within the city, which house an additional 15 Highland Park residents. They have a waiting list of 125 people, 20% of whom are from Highland Park[7]. If given the opportunity, Lambs Farm residents would prefer to have a housing program in Highland Park, closer to their relatives.

Glenkirk owns a facility in Highland Park that has five units and serves 20 people. In addition, there are 11 other "scattered" sites, which they do not own but which people in their programs live in and sign leases for. These sites serve an additional 23 people. In total there are 16 units, 43 people served and 100 people on the waiting list, all of whom are from North Shore neighborhoods, including Highland Park. There has been a growing interest in Glenkirk facilities and programs from the Highland Park High School special education department. A representative from the Highland Park Township School District 113 estimated that each year three students who are residents of Highland Park graduate from the high school and need assisted housing programs. The interviewee at Glenkirk stated that Highland Park is a good place for the people they work with and it has been open to them, but now their number one problem is finding affordable housing for their clients to live in[8].

TRENDS IN HOUSING STOCK

The difficulties that the households discussed above are having in trying to live in Highland Park are related to the changes in the housing stock, home prices, land prices, and rent levels in Highland Park. This portion outlines recent changes affecting the need for affordable housing.

In 1990 Highland Park had 12,657 units of housing.[9] The housing permit data shows that 698 units were added in the 1990s.[10] On average, 77 units a year have been added through new construction. During this same period, the Highland Park demolition permits show that there were an estimated 270 buildings torn down.[11] These buildings included the more affordable homes and a significant number of rental housing units in the city. There is no record of how many units were in the 270 buildings. Conservatively, there was an estimated loss of 270 units (see map on page 13). Most of these 270 homes were replaced with new, larger homes or condominium developments. Based on interviews with key informants, none of the newly constructed units in Highland Park were rental units affordable to low- and moderate-income households.

[7] Interview with Lambs Farm director, 4/13/00.
[8] Interview with Glenkirk facility director, 4/20/00.
[9] U.S.Census 1990. This is the total housing unit universe that includes owner, renter occupied, and vacant unit count. Please see Appendix 5.
[10] Northeastern Illinois Planning Commission, Regional Building Permit Data, 1990-June,1999.
[11] The demolition data includes 1990 through June 1999. However, the permit data for 1995 was missing. For 1995 we added the average for the decade, 29 units per year, to the total for the 1990-1999 period. Demolition and permit data are in Appendix 6 and 7, respectively.

TRENDS IN RENTAL UNITS

For three decades, rental units have comprised between 18 and 22% of the Highland Park housing stock.[12] These rental units allowed for more diversity of households by income, race, and age. The rental market allows for people to live in Highland Park through their various life cycles. For households this can mean transitions from renter to owner, smaller to larger spaces, the height of earning power to a fixed income. In our interviews, many people agreed that rental units also provide housing opportunities for people who work in Highland Park.

Since 1990 Highland Park has experienced a decrease in the number of rental units. This is evidenced by the conversion of 188 rental units to condominiums during this period.[13] Many of the buildings (270) demolished during the 1990s were in the areas of the city where rentals were concentrated. We are estimating that the city lost at least 136 rental units, mostly in the downtown area.[14] Between the condominium conversions and the demolitions, at least 324 relatively affordable rental units have been lost since 1990.

According to key informant interviews, the rent range in Highland Park apartments is $900 to as much as $3,900 a month. A recent Lake County survey shows that the 1999 rent levels vary from an average of $899 for a one-bedroom apartment to an average of $1,731 for a three-plus bedroom unit.

The average 1999 rent for Lake County is $774 a month.[15] In the 1990 census the Highland Park rents were 11.3% higher than rents in Lake County as a whole. If this trend had continued, the average 1999 rent in Highland Park should have been $862 a month. As Table 3 shows, the Highland Park rents have increased considerably more than the Lake County rents during the 1990s. In addition, the recent regional market study found that the rental housing market has a very low vacancy rate of 4.2 % for the region and 4.3% for Lake County.[16] The low

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[12] This range estimate for 1970,1980,1990 includes census tract 8651, which is the southern portion of Fort Sheridan. This census tract has 631 rental units (1990 census) which are exclusively for military personnel. Excluding this census tract, the rental unit percentage range would be 16-19%.

[13] Tracy Cross and Associates, Inc. "Conversion of Apartment Rentals to Condominium Form, Chicago Metropolitan Area, 1993-1998".

[14] Our estimate is based on mapping out the demolitions by census tract and applying the 1990 proportion of rentals in the census tract to the demolition numbers. In the downtown area census tracts, the assumption is that all the demolitions were rentals. By not taking the rental proportion of these tracts, this estimate compensates for some buildings having more than one unit.

[15] Metropolitan Planning Council, "For Rent: Housing Options in the Chicago Region: Regional Rental Market Analysis Summary Report," November 1999.

[16] Metropolitan Planning Council, "For Rent: Housing Options in the Chicago Region: Regional Rental Market Analysis Summary Report," November 1999.

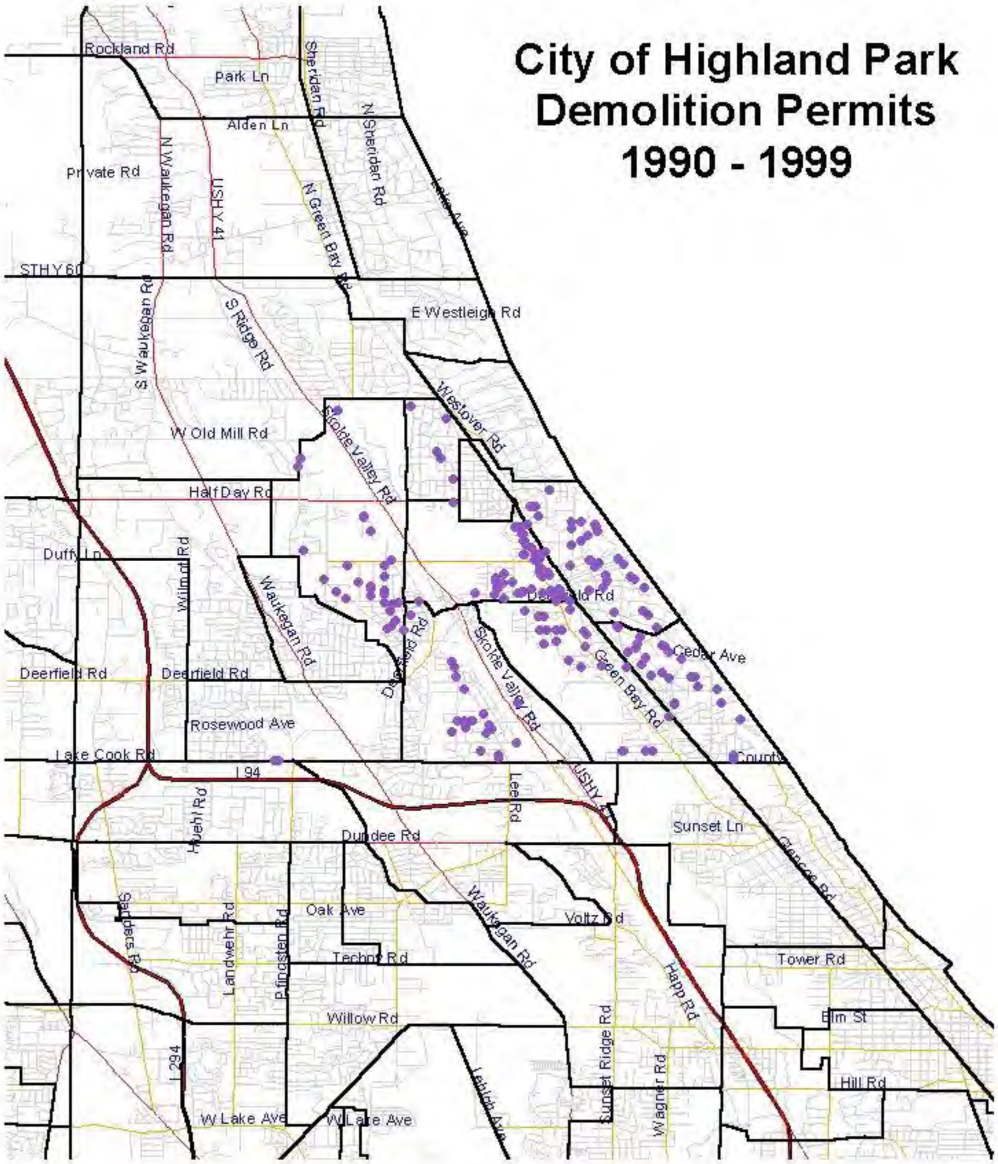
vacancy rate along with loss of rental units to demolition and condominium conversions and the lack of rental unit production have affected the increase in rents. All of these factors contribute to the overall shortage of affordable rental housing in the region, Lake County, and Highland Park.

Using the guideline of 30% of income for housing costs, the one-bedroom average rent in Highland Park is affordable to a household making $35,960, the two bedroom is affordable for a household making $64,400, and the average three bedroom is affordable to a household with at least a $69,240 yearly income.

Table 3: Average Rents in Highland Park and Lake County by Bedroom Size

	Lake County Average	Highland Park Average	% Difference between County and Highland Park
1 bedroom	$628	$899	+43%
2 bedroom	$735	$1,610	+119%
3 +bedroom	$1,032	$1,731	+67%

Source: Lake County rents are from regional rental study, "For Rent: Housing Options in the Chicago Region," Metropolitan Planning Council, November 1999. Highland Park rents are from "1999 Rent Survey," Housing Authority of Lake County.



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TRENDS IN HOME PRICES

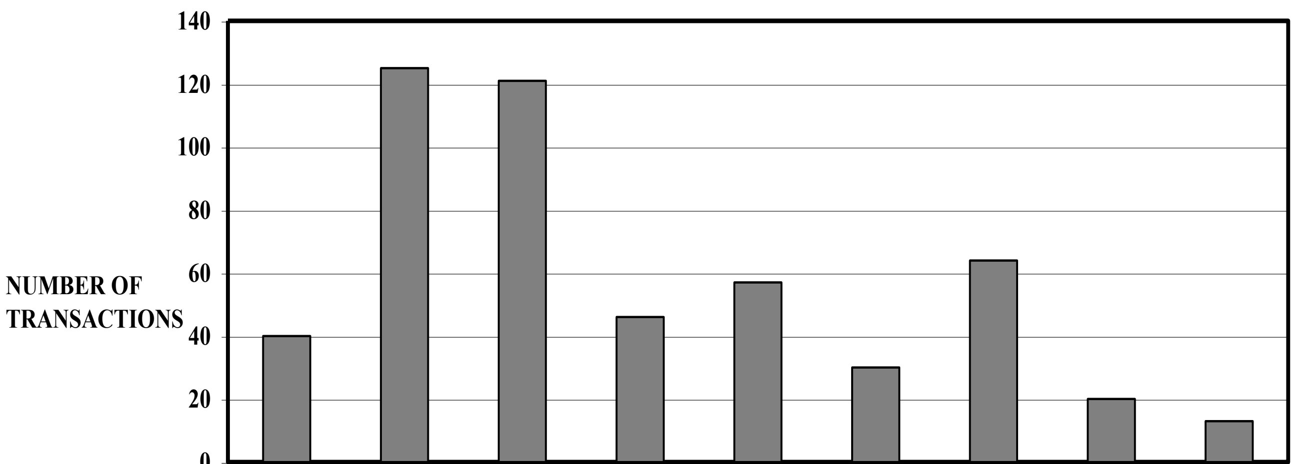
Table Four shows the average and median sales price for homes in Highland Park from 1993 to 1999[17]. During this time period, the median sales price increased by 19.9 percent. In 1999 the median sales price was $332,000. A minimum annual household income of $108,000 is needed to afford the median 1999 home price of $332,000.

Table 4: Highland Park Homes Sales Transactions, 1993-1999

YEAR	NUMBER OF TRANSACTIONS	AVERAGE SALES PRICE	MEDIAN SALES PRICE	PERCENT CHANGE IN MEDIAN
1993	40	$382,597	$276,950	NA
1994	362	$396,057	$285,600	+ 3.1%
1995	390	$374,382	$284,075	-0.1%
1996	429	$376,789	$291,575	+ 2.7%
1997	515	$391,396	$280,800	- 3.8%
1998	526	$363,607	$285,600	+1.7%
1999	519	NA	$332,000	+16.2%
1993-1999	**2,781**			

Source: Inter-Realty

Figure 1: 1998 Home Sales Prices



	UP TO $150,000	$150,000 TO 225,000	$225,000 TO 300,000	$300,000 TO 350,000	$350,000 TO 425,000	$425,000 TO 500,000	$500,000 TO 750,000	$750,000 TO 1,000,000	$1,000,000 AND UP
HOUSING VALUE	40	125	121	46	57	30	64	20	13

[17] All 1990 dollars have been changed to 1999 levels.

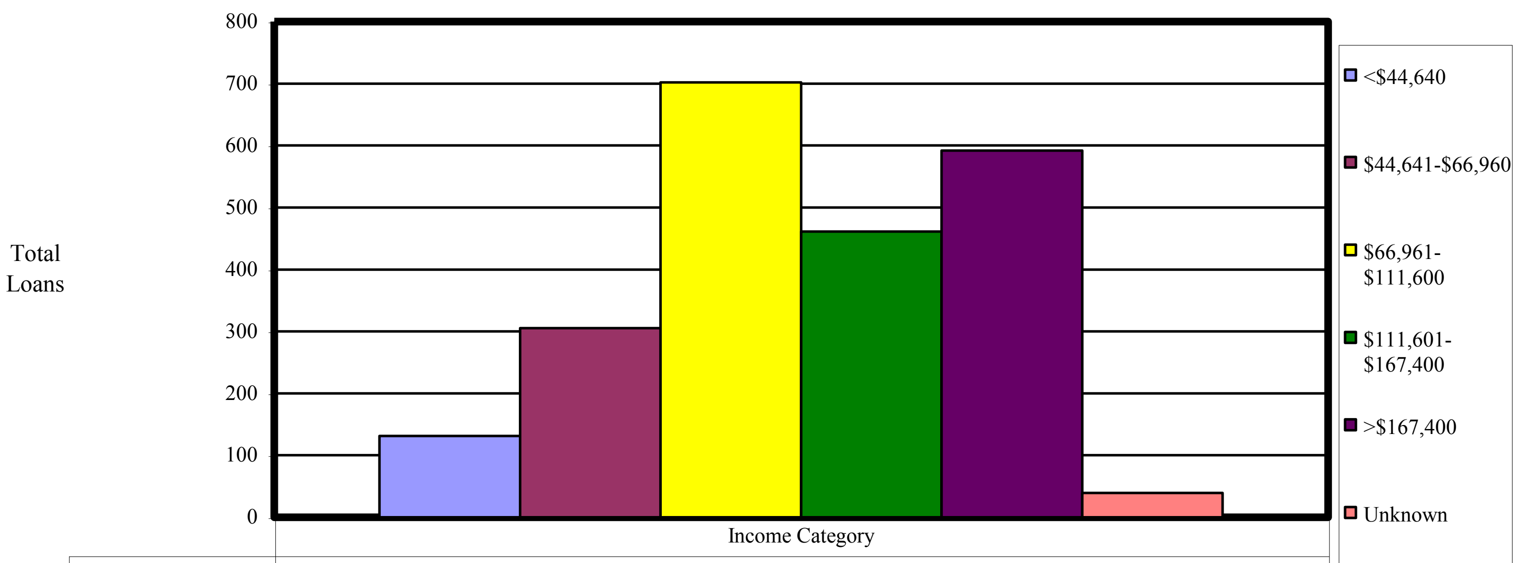
HOME LENDING TRENDS

An examination of home purchase mortgage data from 1993 to 1997 reveals what groups have been purchasing homes in Highland Park by income and race. During this period, there were 2,229 home mortgage loans given to households in Highland Park (see Figure 2). The opportunity for homeownership is clearly greater for those in the higher income categories.

Of the total loans originated, households earning

- up to $66,690 received 20% (436) of the loans
- between $66,691 and $167,400 received 52% (1,163) of the loans
- over $167,400, received 27% (592) of the loans

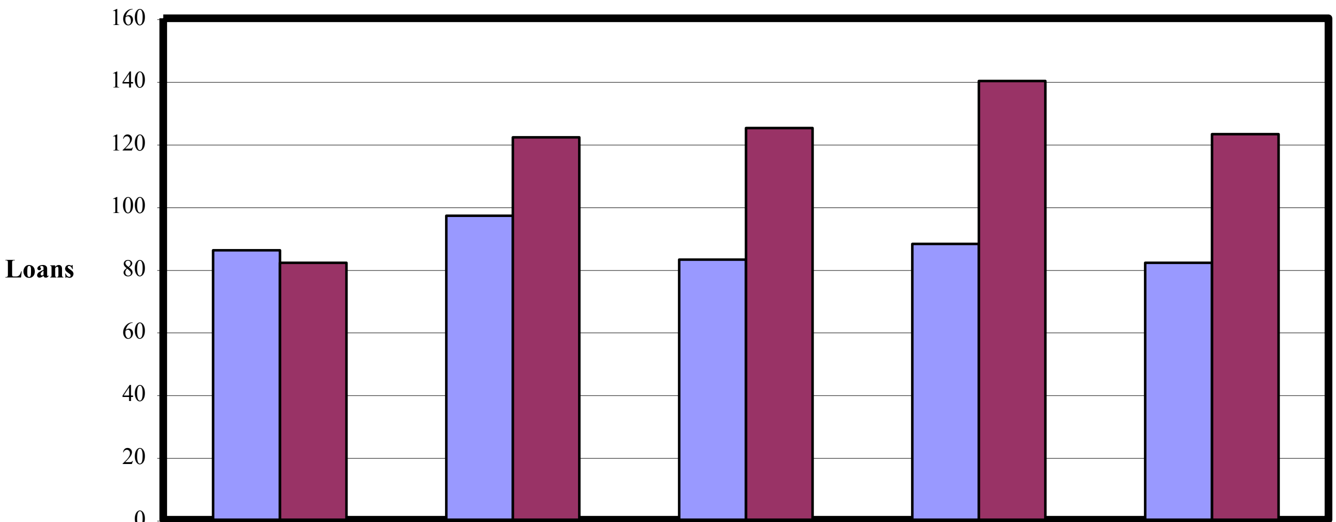
Figure 2: Home Mortgage Loans Originated 1993-1997



<$44,640	131
$44,641-$66,960	305
$66,961-$111,600	702
$111,601-$167,400	461
>$167,400	592
Unknown	39

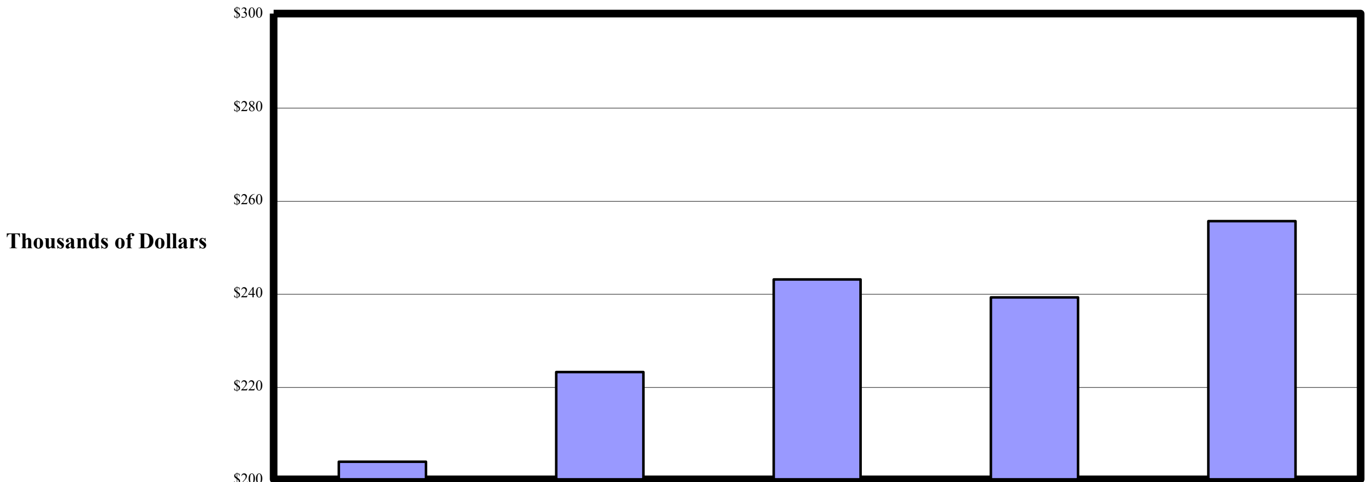
This trend is further illustrated when the time period is broken down by year (see Figure 3). The chart compares only those households earning less than $66,690 and those earning more than $167,400. In 1993, both income groups received a similar share of the loans, 22% (86/400) and 21% (82/400) respectively. Since 1993, the lower-income group's share of loans has steadily declined. By 1997, it was down to 17% (82/473). In contrast, the higher income group has seen an increasing percentage of loans, which peaked in 1996 at 30% (140/473). Although this number fell to 26% (123/473) in 1997, the higher-income group still received almost 10% (41/473) more of the home mortgage loans in Highland Park.

Figure 3: Number of Home Mortgage Loans by Year



	1993	1994	1995	1996	1997
<$66,960	86	97	83	88	82
>$167,400	82	122	125	140	123

Figure 4: Average Home Mortgage Loan in Highland Park by Year



	1993	1994	1995	1996	1997
Average Loan	$204	$223	$243	$239	$255

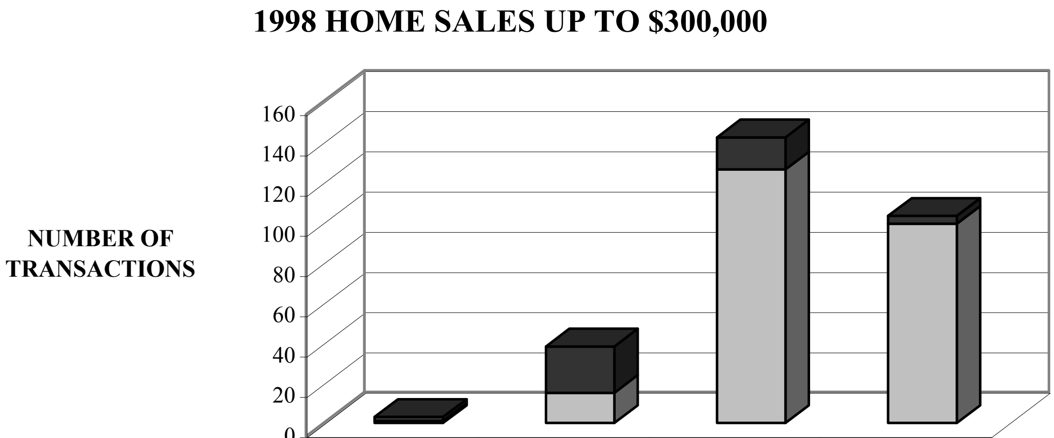
Another trend that demonstrates that Highland Park is becoming less affordable is the rise in the amount of the average home mortgage loan (see Figure 4). In 1993, the average loan for the city was $204,000. By 1997, it was $255,000. This represents a 20% increase in the average home mortgage loan in only four years.

The following illustrates how much in mortgage loans households with different income ranges can generate. Assuming a 30- year fixed mortgage at an interest rate of 7.5%, the following shows the maximum loan amounts households with different incomes can secure:

- An annual income of $25,000 generates approximately $72,000
- An annual income of $50,000 generates approximately $143,000
- An annual income of $75,000 generates approximately $222,000
- An annual income of $100,000 generates approximately $286,000

Assuming that a household was able to put down around 5% of the value, Figure 5 shows the distribution of 1998 home sales in the different price ranges relative to what is affordable for each income group. As this figure illustrates, most home sales were not in the lower-cost bracket, and of those that were, many were condominiums rather than single-family homes.

Figure 5: Home Sales in 1998 Affordable to Households Earning up to $100,000 [18]



	UP TO $76,000	$76,000-150,000	$150,000-232,000	$232,000-300,000
CONDOMINIUM	2	23	16	4
NON-CONDOMINIUMS	1	15	126	99

AFFORDABLE HOUSING NEED IN HIGHLAND PARK

Several key findings from the previous section make it evident that there is a need for affordable housing in Highland Park. It is important to note that there is also a need for on-going data collection on housing information. As economic and social conditions change, this will enable HPHC to monitor housing trends and report to the city council on appropriate remedies to maintain the desired diversity of Highland Park. The key findings are as follows:

1. The income diversity of Highland Park households has been decreasing through the 1990s.

2. Five groups were identified as finding it increasingly difficult to live in Highland Park due to accelerating home and land prices and the loss of affordable rental units. These groups are seniors, Highland Park workers, younger households, single-parent families, and persons with disabilities.

3. At least 324 relatively affordable rental units are estimated to have been lost since 1990.

[18] This assumes a downpayment of 5 percent.

4. Between 1993 and 1999, the median sales price of a home increased 19.9%, from $238,750 to $332,000. A minimum annual household income of $108,000 is needed to afford the median 1999 home price of $332,000.

5. The average home mortgage loan increased by 20% between 1993 and 1997.

6. Since 1993 the share of home mortgages going to households making less than 80% of the metropolitan area median income has declined.

7. Between 1990 and 1999, it is estimated that Highland Park lost 300 elderly households and 700 younger households with incomes of less than $50,000, due to lack of affordable housing.

8. It is estimated that there are 7,000 employees at Highland Park firms who earn less than $50,000 and that 90% of these workers reside outside of Highland Park. At least 700 units of affordable housing should be considered to house lower-wage Highland Park workers.

The above estimates of need are conservative because they are limited to households making less than $50,000 and do not take into account the declining number of affordable units before 1990, which is documented in earlier Housing Commission reports[19].

[19] HPHC has commissioned a number of reports previous to this period that show the decline in affordable units. Prior to the formation of HPHC, a League of Women Voter's report from 1968 also highlighted the decline of affordable housing.

SECTION TWO: STRATEGIES TO PROMOTE AFFORDABLE HOUSING

The discussion in the preceding section has identified different groups, many with incomes below $50,000, who are most challenged to find housing that they can afford in Highland Park. These target groups would require a variety of unit sizes ranging from smaller units for seniors and single workers to larger units for younger families, workers with children, and group home settings for persons with disabilities. In the context of this discussion, affordable housing is defined as decent, sanitary, and appropriate housing that people of modest means (moderate, low, and very low income) can own or rent without having to devote more than 30%[20] of their gross income for monthly housing expenses. The 1999 Chicago Metropolitan Area Median Income[21] for a family of four is $63,800. Eighty percent of the median is $47,800 while 120% is $76,560. Moderate-income households fall within these income ranges while low-income families fall between 50% and 80% of median (i.e. between $31,900 and $47,800). Very low-income families earn less than 50% of median or $31,900 annually.

While homeownership opportunities in single family homes, town houses and condominiums may be promoted for most moderate- and some low-income households, rental options are more appropriate for most low-and very low-income families. Table 5 demonstrates the affordability of housing for different income levels. Assuming 30% of income is spent for housing expenses, moderate-income households can purchase homes priced between approximately $150,00 and $240,000, while low-income families can afford only homes priced between $85,000 and $100,000. Meanwhile, the very low income can buy only homes priced under $85,000. At a median home price of more than $330,000, buying homes in Highland Park is indeed beyond the reach of most in these income ranges; and the problem becomes more pronounced as we go down the income ladder.

Assuming again 30% of income for housing expenses, moderate-income households can afford rental units priced between $1,000 and $1,700 per month. Low-income families can afford rents between $700 and $1,000, while very low-income households can only afford rents of under $700. With average rents at more than $1,500 per month for two-bedroom units, it is very difficult for most very low-income and some low-income families to readily find rental housing within their reach. Based on the needs identified above, it is prudent to explore appropriate housing options that are consistent with the financial capacity of these income groups.

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[20] The federally established standard for affordable housing suggests no more than 30% of income for housing expenses. Expenses for rental include utilities such as heating and electricity, while for home ownership the major expenses included are taxes and insurance.
[21] The Chicago Metropolitan Area Median Income, which covers the six county metropolitan area including Lake County, is annually published by the U.S. Department of Housing and Urban Development. Appendix 1 shows the area median incomes by household size.

Table 5: Household Income and Housing Affordability

Income Level	Affordable Purchase Price	Affordable Rent per Month
Moderate $47,800 - $76,560	$150,000 - $240,000	$1,000 - $1,700
Low $31,900 - $47,800	$85,000 - $100,000	$700 - $1,000
Very Low Less than $31,900	under $85,000	under $700

Following a brief discussion of housing options, we present possible strategies, approaches, and resources that can form the basis for an affordable housing implementation plan in Highland Park.

HOUSING TYPES

OWNERSHIP OPTIONS

Single-family homeownership

Highland Park is an older, built-up community with very few sizable tracts of land where a significant number of new single-family homes could be built. A more viable strategy to promote affordable single-family homeownership would be through the preservation of existing homes. In addition to addressing affordability goals, this strategy of preservation would help maintain neighborhood character and inhibit “tear-downs”.

Town houses

The high cost of land in Highland Park plays a significant role in escalating the overall cost of housing. With a minimum lot size requirement of 7,000 square feet for single-family homes (R7 District), the land price part of the total development cost is substantial. As it stands now, single-family homeownership, outside of those homes that may be preserved through land trust strategy, is not much of an option for the income groups under consideration. Promoting town house ownership can reduce the impact of high land costs on housing prices. The common walls in town house developments reduce the minimum lot size (and hence the land cost per unit) by eliminating the need for side setback requirements.

Unfortunately, the lack of large tracts of open land that can be targeted for substantial p*lanned unit development* limits what can be accomplished through town house development. An exception in the future may be the remaining southern section of the Fort Sheridan property or other large properties should they become available for redevelopment.

Condominiums

High-density condominium developments offer another homeownership option for low- and moderate-income households. The impact of high land costs can be spread over a larger number of units thereby reducing the overall cost of the housing. The city can also play a more active role to promote the development of affordable condos through direct participation in the process. A good example of this is what Highland Park did to initiate the Central Avenue Senior Development. This model can be replicated to develop affordable condominiums as well as rental housing.

RENTAL OPTIONS

Rental housing is an important housing option. In fact, it may be the only housing option for many households simply because of the lack of adequate income to support a mortgage or capital for down payment. Some may prefer rental housing for a number of other reasons while still others may need it as a transition to homeownership.

While the long-term goal for most households with moderate incomes should be homeownership, there needs to be recognition that not all in this group can or will be homeowners. Furthermore, many low-income and most very low-income households simply do not have the resources to become homeowners in Highland Park, at least not in the short term. Yet, the proportion of rental housing has been going down over the years. Most of the loss has occurred in the more affordable stock thereby impacting low-income households the most. Even moderate-income households (earning between 80% -120% of the median income), especially those at the low end of the range, find few housing units within their reach with average rents close to $1,000 per month. The need for rental housing is therefore apparent for households in both income groups, although the need is much more critical for low- and very low-income households.

With the goal of meeting the needs of the income and population groups identified, appropriate strategies and approaches are presented in the following section.

STRATEGIES

A number of strategies including land trust, trust fund and employer-assisted housing are discussed in the following pages. These strategies (either separately or in combination) are viable and promising options for Highland Park to pursue in order to promote affordable housing.

LAND TRUST (LT)

Overview

Land trusts preserve existing affordable housing stock by taking it off the market and restricting appreciation. The land trust purchases land and buildings, holding the land in trust and controlling land price increases. This is an attractive strategy for many communities because it limits the need for costly and time-consuming new real estate developments. In addition, the community's architectural character is preserved through controlled land use. Land trusts have been successfully implemented in many communities. Burlington, Vermont, a city of 40,000, is one very good example (discussed later in this section).

Feasibility

Conditions

- Available properties for purchase at reasonable prices.
- Adequate staff with housing finance and development experience.
- Access to funding.

Advantages

- Effective method of maintaining affordability in rapidly appreciating markets.
- Effective method of maintaining affordability in markets with little vacant land for new construction.
- Once purchased, land remains affordable without additional subsidies.
- Preserves community character.

Challenges

- Requires large initial investment to purchase land, especially when properties are expensive.

Groups Served

- When single-family homes are purchased and leased by the trust fund, mostly moderate-income families and/or first-time home buyers.

- The trust fund may also purchase affordable apartment buildings and control rent increases, thereby serving lower-income families that cannot afford to buy single-family homes.
- The land trust strategy can be piggybacked with other financing and/or subsidy sources to expand opportunities and reach lower-income households.

Viability for Highland Park

Highland Park faces two major constraints that make it difficult to construct affordable housing in the municipality: little vacant land and rapidly appreciating property values. These factors are related, as a smaller supply in housing leads to an increased demand, subsequently raising home prices and rents. An ideal strategy to address the scarcity of developable land and land value appreciation is to purchase the most affordable properties available, limit the appreciation of the land by holding it in trust, and selling or leasing only the structures that sit on the properties. Through this land trust strategy, no additional land is required to build new housing, and affordability is preserved.

An estimated number of 30 homes with a market value of less than $150,000 are available in Highland Park[22]. These properties should be among the initial targets for the land trust. In addition, there are some vacant lots in neighborhoods with homes in the $120,000-$180,000 price range. These properties too should be the focus of the trust fund's initial purchases, since the price of the lot carries lower initial costs than the lot with the structure. These lots would be taken out of the speculative process. Having vacant lots at its disposal, the trust would have the option of initiating new projects in an arrangement similar to the Central Avenue Development sponsored by the city. In this scenario, the land would be held in trust while the structures are either sold or rented to qualified families. Last but not least, the trust should also focus on purchasing affordable rental properties before they are up-scaled or converted to condos.

While meeting long-term affordability goals, this strategy will also help to preserve neighborhood character and prevent large-scale "tear-downs".

Potential Resources

Resources would include one-time funding sources, covering start-up costs and continuous stream funds providing a dedicated revenue source. Funds for the land trust can be generated in a variety of ways. The trust is most often funded by a dedicated revenue source (i.e., fees, real estate transfer tax), municipal bonds, and private and public grants and loans.

[22] Inter realty data from 11/12/99

An initial commitment of funds by the city would help to jump-start the program by demonstrating its commitment and enabling it to leverage resources from external sources. With the land trust program up and running, private sources such as foundations and banks, and public sources such as HOME, CDBG, and the Illinois Affordable Housing Trust Fund can be targeted for additional funding. Because most of the funds used to purchase property are recouped upon its sale, the trust fund pool will keep growing. This would in turn give the city more leverage to undertake aggressive affordable housing strategies including the ability to provide incentives for private development activities.

One time Funding Sources:

- *Institute for Community Economics (ICE) revolving loan fund:* this fund, currently capitalized at more than $13 million, helps meet the capital needs of land trusts. ICE has loaned out more than $31.8 million since the fund's creation in 1979, representing 356 loans to community organizations in 29 states. Funds most often finance the acquisition and improvement of land or the acquisition, construction, and rehabilitation of housing. ICE and the loan applicant negotiate the terms and repayment schedule of each loan on a case-by-case basis. A typical loan is for one to three years at a below-market 6% interest rate.
- *Municipal bond:* municipalities can issue tax-free bonds that offer long-term repayment schedules and below-market rate interest. The proceeds from the bond can help pay for the land trust's up-front acquisition costs, allowing repayment to be made after improvements on land trust property are sold.
- *Grants from private foundations and corporations*
- *Individual and church-based donations:* churches are often some of the largest contributors to land trusts and trust funds.
- *Local employer donations*
- *Property donations (gift or bargain sale):* employers sometimes donate land toward a land trust to increase affordability for employees. Bargain sale is a reduced-price sale of property by those that are committed to land trust growth.
- *Public sources such as HOME, CDBG, and the Illinois Affordable Housing Trust Fund (IAHTF).*

Dedicated Revenue Funding Sources:

- *Tear-down fee:* this is a fee levied against the demolition of existing housing that is not being replaced by affordable housing whether it is replaced by more expensive housing or other nonresidential development. This strategy is designed to compensate the city for the loss of land that is no longer available for affordable housing. In addition, improvements on the property are likely to contribute to higher property values, thereby increasing the costs of developing affordable housing in Highland Park.

Revenue generated from the fee could be designated for the land trust and other affordable housing programs. The ordinance for this fee must spell out how replacement of more affordable housing with more expensive housing permanently reduces accessibility for different groups to the community.

The rationale for a tear-down fee can be similarly applied to condominium conversions where affordable rental units are converted to more expensive condos. Resources can be generated through the collection of higher-end *condominium conversion fees.*

Similarly, a *new construction fee* can be levied on new developments that are not subject to tear down fees where the development is undertaken on vacant land (hence not subject to tear-down fee) and where PUD or inclusionary zoning requirements for affordable housing are not applicable. A typical tax in Boulder, Colorado, charges $0.16/square foot for new residential construction and $0.34/square foot for new commercial construction. This tax generates $1 million annually for the city. The ordinance for such a fee should make the rationale clear. In the case of residential new construction, the rationale is similar to a tear-down fee rationale. In the case of commercial development, the rationale is that commercial developers should provide affordable housing to serve the new employee population generated by the development. It would therefore be justifiable to charge a linkage fee to support the provision of affordable housing.

- *Fees in-lieu*[23]*:* these are fees levied as an alternative to providing a percentage of affordable units in a development. Fees in-lieu would be collected only where legitimate reasons exist not to include hard affordable units.

Operation

A land trust is a nonprofit corporation governed by a board of trustees. Community land trust boards (LT) are typically composed of land trust leaseholders, individuals representing key institutions in the community such as banks, real estate companies, etc., as well as members of citizens' organizations. An appropriate mix (roughly a third from each) of city officials, leaders of key institutions (banks, service providers, public

[23] In lieu fees in Montgomery County, Maryland, ranged between $14,000 and $100,000 per unit depending on the price of homes being constructed. Palo Alto, California, charged 5% of the gross price of units developed (prices ranged between $400,000 and $500,000 per unit).

facilities) and representatives of community groups is recommended as the first board of trustees in Highland Park.

The board of trustees targets financial resources, agrees upon criteria for dispersal of funds, and hires staff to administer the program and its budget.

After collecting adequate funds, the land trust identifies properties for purchase. The dollar amount needed to initiate the land trust varies according to community size and the trust's goals. For example, if Highland Park sets a goal to purchase 10 homes costing $150,000 each in the initial year of operation, it should start at about $2 million to cover purchase price, transaction costs, and administration. Following this initial outlay, the trust recoups part of the costs by selling the structures that sit upon the land purchased. The land itself is held in trust and is not sold. Because the land is taken off the private market, appreciation is limited to the increase in value of the structure over time. When the land lessee sells the property, he/she is allowed to receive only a percentage of the increase in the value of the land and structure combined (25% is the percentage used in Burlington). The percentage of appreciation allowance is set by the LT and the amount depends on a variety of factors. The LT also assesses a land lease fee to the buyer, which equals taxes on the land plus a monthly administration fee (amount used in Burlington is $40). What follows is an example of how a LT makes the purchase of a home more affordable and how perpetual affordability is achieved.

Example[24]:

The land trust purchases a home and property for $160,000, and sells the house for $120,000, retaining ownership of the land on which it sits. By purchasing the house only and leasing the land, the buyer obtains a fixed-rate 9%, 25-year mortgage for $906 a month (10% down payment), $372 less than if the house and land were purchased conventionally. An appropriate amount for Highland Park would be a monthly land lease fee of $90 to cover property taxes and administrative costs (10 years ago this amount was $40 in Burlington). Due to lower mortgage payments, the land trust purchase requires an income of $51,053, which is 80% of Chicago-area median income for a family of four. This assumes that the family would spend 30% of its total monthly income on housing, including mortgage payments, insurance, taxes and the land lease fee.

By contrast, a conventional purchase of the same house would require an income of $65,528, which is 103% of the Chicago-area median income

[24] This example follows the practice of Burlington, Vermont, and can be adjusted to fit Highland Park.

for a family of four. After eight years, assume that the market value of the house and land is $342,974 (an annual real estate inflation of 10%). The land trust lessee's profit on appreciation would be limited to 25% of total appreciation in order to keep the house affordable. Therefore, the lessee receives $45,744 from appreciation. The house is sold to the next purchaser for just $45,744 more than the original price of $120,000. A family with an income of $71,939 could purchase the house, paying 30% of total monthly income for housing. Considering 4% annual wage inflation, this income would be 82% of the Chicago- area median income for a family of four. By comparison, an income of $124,892 (143% of AMI) would be required to make the same purchase conventionally.

Table 6: Comparison of Conventional and Land Trust Transactions [25]

Initial Purchase	Conventional	Land Trust
	House and Land	House only
Purchase Price (25% land value)	160,000	120,000
Down Payment (10% of total)	16,000	12,000
Need to Borrow	144,000	108,000
Mortgage Payment (9%/25 yrs)	1,278	906
Taxes/Insurance	360	280
Land Lease Fee	-	90
Total Housing Costs	1,638	1,276
Annual Income Required (30% of monthly income)	65,528	51,053
% of AMI (family of 4 $63,800)	103%	80%

Resale after 8 Years	Conventional	Land Trust
	House and Land	House only
Value at Resale	342,974	257,231
Original Purchase Price	160,000	120,000
Total Appreciation	182,974	137,231
Owner's Share of Appreciation	182,974	45,744
Sell Property for	342,974	165,744
Pay Lender	21,293	20,992
End up With	321,681	144,751
Mortgage Payment (9%/25 yrs)	2,590	1,252
Taxes/Insurance	532	414
Land Lease Fee	-	133
Total Housing Costs	3,122	1,798
Annual Income required for Next Purchase	124,892	71,939
Percentage of AMI	143%	82%

[25] This comparison is an estimate of what would be currently feasible in Highland Park, based on an example of a Burlington, Vermont, land trust model. Prices and incomes were adjusted for this Highland Park example.

Besides purchasing property and reselling homes, LTs can purchase vacant land and give it to an affordable housing developer, or purchase and manage rental buildings. HPHC has experience in providing land for an affordable housing developer with the senior housing project on Central Avenue. By purchasing rental buildings and contracting with a private apartment management agency, the LT may also control rent appreciation.

Implementation in Highland Park – Land Trust

HPHC shall work with a suitable technical assistance provider to strategize a course of action. A technical assistance provider such as the Institute for Community Economics or one with a similar land trust focus should be consulted for strategic planning purposes.[26] As a short-term priority the strategic planning for the land trust will address issues such as

- the corporate structure of the land trust;
- staffing requirements for the land trust;
- the role of the City of Highland Park/HPHC in its operation;
- the land trust relationship to an affordable housing trust fund; and
- the initial funding of the land trust; and, other issues.

Following such consultation HPHC will develop a plan, for consideration by the Highland Park City Council, to establish and fund the land trust.

Best Practice

Burlington, Vermont

Burlington is a city of about 40,000 residents, with a median home price of about $120,000. The city established a land trust in 1983, when officials began to look for a planning mechanism that would ensure long-term affordability. The Burlington Community Land Trust (BCLT) was created as a nonprofit entity to combat rapid appreciation in property values.

The BCLT cooperates with the city to purchase land and buildings, holding the land in trust and controlling land price appreciation for future affordability. Land is purchased with grants and loans from federal, state, and local sources. The trust retains permanent possession of these lands, but sells the improvements that are on them (e.g., homes and offices). Home buyers lease property from the land trust. When the lessee moves,

[26] The Institute for Community Economics has provided technical and financial assistance to 110 developing and established land trusts across the nation since 1979, including preparing bylaws.

the agreement includes a limited appreciation provision, which is a limit on the amount of profit that can be made when the property is sold (25% of market appreciation). The land trust accomplishes two public policy goals: subsidies invested in a property will be retained and recycled for future generations; and housing units will remain affordable for future owners.

Currently, the trust owns the property for 250 homes and condominiums, and 250 rental units, holding a real estate value of about $12 million. Using an annual operating budget of $1 million and a staff of 25 people, the trust fund purchases about 40 new affordable units each year.

TRUST FUND

Overview

While land trusts are used to purchase property and preserve long-term affordability, trust funds are primarily used to subsidize rehab and new construction of affordable housing, in addition to sometimes being the depository of funds for the land trust. Trust funds provide the "gap" financing needed to start or finish affordable housing projects. While the land trust is a distinct strategy aimed at preventing land value appreciation with the goal of maintaining long-term affordability, trust funds provide resources to promote various affordable housing strategies.

Land trust and trust fund are both stand-alone mechanisms and it is possible to have one or the other, or both. Employing both strategies would surely provide more flexibility and leverage to promote affordable housing. It is therefore recommended that Highland Park adopt both strategies. In this scenario, the trust fund, administered by the city or its agent, would be the depository of funds with the mandate to channel designated resources to the land trust, which should be managed by a board of trustees composed of city, community and institutional representatives. While the board of trustees will exercise oversight of the community land trust (CLT), day-to-day administration of both the trust fund and the land trust may be handled by staff housed at the city in order to reduce administrative costs and increase efficiency.

Feasibility

Conditions

- Adequate funding sources
- Knowledgeable housing finance staff

Advantages

- Adaptable to the affordable housing needs of the jurisdiction
- Sustained financing supplements outside funding sources (federal, state and nonprofit)

Challenges

- Usually requires a constant funding source in the form of taxes or fees
- Long start-up time

Groups Served

- Depends on the priorities set by the trust fund board, anyone from low-income renters to moderate-income homeowners.

Viability for Highland Park

The trust fund and land trust can work together as complementary programs. In situations similar to the Central Avenue Senior Development, the land trust can purchase suitable vacant land before it is developed while the trust fund can further subsidize construction costs on the land. In this way, the cost of land is eliminated and the cost of development is reduced, resulting in lower housing costs to the ultimate consumers. This would promote the creation of rental housing that is critically needed in Highland Park.

Potential Resources

A trust fund is supported by the same kinds of sources as land trusts.

Operation

In most cases, a trust fund takes about two or three years to organize, and requires knowledgeable staff for its administration. A board of trustees oversees most trust funds, establishing criteria for who receives subsidies. As a result, one of the benefits of trust funds is the ability for Highland Park to set its own affordable housing guidelines instead of accommodating the requirements of outside funders. Trust funds are extremely flexible; therefore a single definition cannot adequately describe all trust funds. The trust fund is basically a mechanism for pooling resources and dispersing funds for affordable housing.

Trust Fund Implementation

HPHC will work with appropriate city staff to identify and establish the administrative structure and ongoing funding sources for the trust fund. In conjunction with establishing the land trust, an administrative structure for the trust fund will be established to support and enhance the activities of the land trust. Planning for the trust fund can dovetail with the land trust and may utilize the same strategic planning process as set forth for the land trust. HPHC will work with city staff and the city council to establish the funding sources of and criteria for dispersing funds from the trust fund.

Best Practice

Santa Fe, New Mexico- Trust Fund

Santa Fe is an attractive and fast-growing city in northern New Mexico with high housing prices. The city has a population of roughly 70,000, with a median annual household income of about $56,000. The trust grew out of discussions among citizens who were growing concerned about the need for affordable housing. Subsequently, in 1990 the Santa Fe Community Housing Trust was formed as a nonprofit organization to make housing available to low- and moderate-income households.

The fund received seed funding of $1 million from United Way and an anonymous donor. Developers also pledged $1.25 million in the fund's early stages. Sunwest and First Interstate banks augmented these contributions with $1 million in development loans. For longer-term funding, Santa Fe has an inclusionary zoning ordinance with fees paid toward the trust fund in-lieu of affordable housing construction. The trust fund is administered by the Affordable Housing Roundtable, a steering committee composed of government and nonprofit housing groups (homeless shelters, community development corporations, neighborhood housing services, Habitat for Humanity, and local housing authorities). The trust fund supports first-time homebuyers in the following ways: homeownership training, down payment subsidies; zero-interest soft second mortgages that are payable upon resale, and new construction through gap financing.

The trust fund has facilitated homeownership for 150 first-time low-income buyers, and subsidized construction of 214 new homes. In addition, the trust has negotiated to obtain 35 lots for Tierra Contenta, a 500-acre planned community south of Santa Fe. An example of the trust fund's contribution to affordable housing is the development of Los Portales, a new subdivision of affordable for-sale homes. The 40 homes varied in size from 1,000 to 1,350 square feet and sold for $72,000 to $100,000. These prices put the homes within the reach of people earning no more than 50% of area median income (about $28,000). Currently, the trust fund is valued at $1 million.

EMPLOYER-ASSISTED HOUSING

Overview

Many employees entering the homeownership market for the first time would not have adequate resources and income to cover housing costs in Highland Park. The location mismatch of jobs and housing negatively impacts traffic patterns, employee commuting times, and employer recruiting efforts. As more employees commute in and out of the city, traffic congestion worsens.

Employers have a vested interest in hiring employees who live near the workplace. A better jobs/housing balance reduces worker turnover and improves punctuality. Employees are likely to be more reliable as a work force when they are grounded in the community. Employers would not have to pay more to attract or keep employees, and the cost of goods and services would not be shifted to Highland Park consumers. Employees living in the city would spend more of what they earn where they live, thereby increasing retail activity and expanding city revenues. Based on this rationale, the city can immediately initiate a drive to solicit contributions from local employers to the trust fund/land trust.

The City of Highland Park, as a major employer itself, should take steps to implement a model assistance program for its own employees. It could start by setting up a modest funding pool offering its employees down payment loans, second mortgages, loan guarantees, and other incentives depending on need and available resources. In addition, the city can help its employees take advantage of available resources from the county and the state (first-time homebuyer program, Mortgage Credit Certificate Program, etc.) by instituting a referral program. Such initiative by the city, it appears, would meet with public approval because most people recognize the need to assist employees (police, fire, etc.) who protect and care for residents.

The leadership taken by the city in assisting its own employees can help pave the way for other Highland Park employers to implement employer-assisted housing. An employer-assisted housing strategy can take many forms, including agreements between employers and banks for favorable mortgage financing, employer-sponsored down payment loans, and mortgage write-downs with employer-purchased bonds. The initiative that proposes to offer tax credits to employers who support employee housing that is currently pending at the state legislature is a major incentive for employer-assisted housing. The city could also provide matching grants to employers who use funds for subsidizing their employees' housing. An employer-assisted housing program would bring employer influence and resources to bear on the affordable housing problem, lightening the city's burden.

Feasibility

Conditions

- City commitment to employee housing
- Employers with a commitment to affordable housing and the ability to work together toward common goals.
- Cooperative relationship between Highland Park elected officials and major employers.
- Adequate staff to coordinate initiatives between employers and public agencies.

Advantages

- Encourages a jobs/housing balance
- Combines employer resources with public resources

Challenges

- Employer-assisted housing does not typically benefit low-income households, only moderate-to-middle income families. In Highland Park, contributions from the trust fund can be used to broaden the range of income levels that may be served.

Groups Served

- Employees of major area employers – both public and private.

Viability for Highland Park

Employer-assisted housing offers many public advantages that can benefit all Highland Park residents. First, assistance for employees who work in Highland Park can improve the quality of people hired and their job performance. Second, assistance for employees in general can cut down commuting into Highland Park and resultant traffic congestion. Finally, employer-assisted housing will make the city more competitive economically in attracting a quality work force. These public benefits should make employer-assisted housing politically attractive. A program for employees of the City of Highland Park may be used as a model to show other employers how they may meet their employees' housing needs.

Potential Resources

Lake County, IHDA, local banks and others such as local realtors who would benefit from increased mortgage activity are prime candidates. These resources can be augmented through already available resources such as the Mortgage Credit Certificate Program[27] (IHDA), First-Time Homebuyers Program (IHDA, Lake County), etc. (detailed program descriptions are included in Appendix 12-15).

Employer assistance can take a supply-side or demand-side approach. Demand-side strategies write down the costs of purchasing existing housing, while supply-side strategies finance the construction of new affordable housing. To receive the benefits of a demand-side program, employees must usually meet certain requirements, such as staying with the employer for a designated number of years or living in the same municipality where the employer is located.

[27] This program allows qualified first-time home buyers to write off 20% of their mortgage interest dollar for dollar against their federal income taxes.

Demand-side Strategies:

- *Closing Cost Assistance:* employer offers to pay the closing points on a mortgage (usually 1-3% of the mortgage).
- *Mortgage Guarantees:* employer guarantees part of or the employee's entire mortgage, reducing the lender's risk. In return for reduced risk, the lender can reduce interest and down payment requirements, and/or waive mortgage insurance premiums.
- *Down Payment Loans:* these loans can be forgivable if the rate is equal to or less than the rate of employee turnover and the cost of recruitment and training. The employer typically requires the employee to remain with the company for a minimum period; otherwise the loan must be repaid.
- *Purchase of Mortgage Backed Securities:* the employer purchases taxable bonds paying a below-market rate. The bond proceeds are used to write down the cost of mortgages or to provide second mortgage down payment loans for employees. Repayment of the mortgage retires the employer's bond.

Supply-Side Strategies

- *Donations:* employers can make annual donations to a land trust or trust fund in order to support the provision of affordable housing on a sustainable basis.
- *Land Dedication:* some employers have excess land they may be willing to turn over to a government or nonprofit affordable housing providers.
- *Construction Financing:* large firms can take out short-term loans at or near prime rate, which is a much lower rate than what real estate developers receive. These loans could be passed on to housing developers to bring substantial savings in construction financing charges.

Operation

An example of how a program for the city's own employees might work would be to provide interest-free down payment loans, repayable upon resale of the employee's home. The program may, for instance, provide a loan covering about 10% of the purchase price (this benefit should be restricted to those employees who purchase homes within municipal boundaries and who stay employed with the city for a minimum number of years). Program requirements for minimum time of employment for most cities range from 5 to 10 years. If the employee moves prior to this minimum time period, he/she must pay some interest on the loan on a sliding scale depending on the length of stay.

Local funds must be generated to make this program feasible. In addition, funds can originate from the federal government in the form of HOME and CDBG funds. The city can apply to the Lake County Affordable Housing Commission to receive these block grants, which can be used flexibly for increasing homeownership opportunities. Lake County is requesting $425,000 in CDBG and $1.2 million in HOME funding for the year 2000[28]. To augment local and federal assistance, the city should look to the Illinois Homebuyer Program administered by the Illinois Housing Development Authority (IHDA), which provides closing cost assistance and low-interest fixed mortgage loans.

Implementation of an Employer Assisted Housing Program

The city should explore employer assisted housing by first developing a model program for its own employees including both demand-and supply-side strategies, as described herein. As the city initiates its own program, it should begin to discuss the issue of employer-assisted housing with other major employers in Highland Park.

Best Practice

Baltimore- Assistance for City Employees

Initially, the Baltimore Housing Department provided a $2,500 grant and $7,500 deferred loan to city employees seeking to purchase homes within the Baltimore city limits. To expand the program to more employees, the grant and loan were reduced to $5,000 ($1,000 grant and $4,000 deferred loan). This helps cover down payment and closing costs, which usually amount to about 8% of the purchase price. To receive assistance, employees must be employed with the city for at least six months. In order to earn complete exemption from loan repayment, employees must live in the home for at least 10 years. Homes purchased with this program typically cost around $70,000.

Since inception of the program in 1994, 400 employees, mostly police and fire fighters, have received subsidies. It has been funded by voter-approved community development bonds at $1 million. The city also has a program of matching $1,000 to $1,000 employer-guaranteed loans. Eleven employers participate in this program with 160 employees receiving loans.

These activities can help prepare the foundation for developing a more comprehensive employer-assisted housing program similar to that used by the Silicon Valley Manufacturing Group and Coastal Housing Partnership in California.

[28] Lake County Housing and Community Development Consolidated 2000 Action Plan - Draft

Targeting Overview

The following is a summary of how the strategies discussed above may be used to meet the needs of the affordable housing target populations: those earning between 80% and 120% of area median income and those earning less than 80% of area median income.

Table 7: Strategy Summary

Income Category	Target Households	Housing Type	Strategies
80% - 120% $47,800-$76,560	Employees working in HP (nurses, teachers, fire, police, etc.) Single headed households Seniors	Home Ownership	Employer-assisted housing Homeowner subsidies from state and county sources Mortgage credit certificate Land trust Trust fund
		Rental	Developer subsidies through trust fund and others
Under 80% Under $47,800	Employees working in HP Seniors Single headed households People with disabilities	Home Ownership	Employer-assisted housing Land trust purchase and lease of homes
		Rental	Developer subsidies through trust fund Land trust purchase of rental units

The preceding discussion reviewed a number of strategies and suggested general implementation plans. The recommended strategies have all been tried and succeeded in a number of areas. It will not be possible to implement all of the strategies at the same time. It is however possible to start working on them, taking deliberate and incremental steps with the goal of increasing their effectiveness gradually. By doing so in a sustained manner, Highland Park can be one of the success stories for the future.

SECTION THREE: PUBLIC POLICIES TO PROMOTE AFFORDABLE HOUSING

The City of Highland Park possesses local government authority and significant regulatory and zoning powers that can be exercised in a manner that would promote affordable housing. The following are some of the ways that may help to accomplish this objective.

SPECIAL OPPORTUNITIES

A number of possibilities that may provide Highland Park with the opportunity to incorporate substantial affordable housing resources appear to be on the horizon. It is important to keep these in mind and prepare for that eventuality. Because of the sizable number of units that can be secured, it is crucial for the city to involve itself in the process from the outset so that it can influence the planning process. The following is a brief review:

1. Fort Sheridan - Another section of Fort Sheridan property may become available for redevelopment in the near future. As the jurisdiction with zoning powers, it is critical for the city to play an active role in developing a reuse plan for the Highland Park portion of such property, which should provide that an appropriate percentage of the total housing units to be developed be affordable. An appropriate team to develop the property as per the reuse plan may be identified through a request for proposals (RFP) process. A significant number of affordable units can be produced on such land.

2. Other large tracts of land that may become available in the future - In the event that other sizable tracts of land become available for redevelopment, it is important for the city to be involved in the process from the outset. Any such redevelopment is likely to require either rezoning or other significant local government action. This gives the city leverage to influence the manner and substance of redevelopment

DEPARTURES FROM DEVELOPMENT STANDARDS

Developers may sometimes request exceptions or departures from the city's development standards. Where the requested departures or exceptions are significant, the city should develop provisions for allowing and encouraging affordable units or fees in-lieu as a public benefit.

INCENTIVES FOR AFFORDABLE HOUSING

Development incentives, such as access to the maximum 60-foot height in the B5 zoning district, may be offered to developers in exchange for providing affordable housing units or a fee-in-lieu of providing such units. The city should clarify zoning ordinance provisions to assure that appropriate incentives are set forth that developers may choose to provide affordable housing as a component of larger-scale developments.

INCLUSIONARY ZONING

Inclusionary zoning is a mechanism that requires developers to *include* a certain percentage of affordable units in residential developments they undertake. It is a way of ensuring that there is development of affordable units in an otherwise upscale market. Furthermore, the result in most cases is socio-economic integration. A number of communities- Montgomery County, Maryland; Boulder, Colorado; Santa Fe, New Mexico; etc., - utilize this vehicle to accomplish affordable housing goals. This strategy is most effective where there is significant open land where substantial residential development can take place. Although Highland Park is a built-up community, inclusionary zoning would assure affordable housing units if and when larger residential development opportunities present themselves. While actual units provided on-site are preferred, alternatives can be permitted when on-site units are not feasible, e.g., payment of a fee in lieu or donation of units off-site.

The HPHC that the city adopt a policy of inclusionary zoning for residential development on sites in excess of 10 acres and/or including 50 or more dwelling units. This would include redevelopment of additional areas of Fort Sheridan. With respect to these developments, 20% of all units constructed would be designated affordable units. To satisfy the affordability requirement, the HPHC recommends that a portion of the affordable units be designated for households at 50% or less of the area median income adjusted for household size, and a portion designated for households at 80% or less of area median income. The remaining portion should be affordable to households at 115% or less of the area median income. The HPHC could be given a right to purchase a percentage of the affordable housing units. The affordable units would be required to remain affordable over their entire life.

At the determination of the city council, based on a recommendation from the HPHC, a fee-in-lieu of actual units may be provided by the residential developer, based on evidence presented that the provision of units in a particular project is infeasible. It is the preference of the HPHC to have developers provide actual units as opposed to fees-in-lieu. The fee-in-lieu would be set from time to time by the city council, based on input from the HPHC. Fees-in-lieu of actual units would be placed in the trust fund for use in other programs as set forth herein.

The HPHC further recommends that projects required to provide affordable units as part of the inclusionary policy be provided certain inducements to promote economic feasibility, such as the waiver of certain city imposed fees, e.g., impact fees, building permit fees, tap-on fees, etc.

Implementation of the inclusionary zoning policy will require amending the zoning ordinance and adopting other ordinances to establish the fee-in-lieu recommended.

The HPHC recommends establishing a joint subcommittee of the HPHC and Highland Park Plan Commission to further research and make recommendations regarding the use of inclusionary zoning for residential developments that are smaller than 10 acres and/or 50 dwelling units.

FEE WAIVERS FOR AFFORDABLE HOUSING

Local governments, in the process of approving construction and development projects, routinely charge different fees. Such is the case with building permit fees, development impact fees, etc. These fees add to the cost of housing to varying degrees and may inhibit affordability. However, these fees can be used to achieve specific public goals, and can be waived for affordable housing projects[29].

DEVELOPMENT IMPACT FEES

The City of Highland Park imposes development impact fees on new residential developments in the city. These fees are intended to provide additional resources to offset the cost of additional demands on public services caused by the addition of new units and households. These additional resources are based on needs assessments and the relative burden on each public facility. The school districts, the public library, the park district, and the municipality share revenues from development impact fees.

In 1999 impact fees ranged-between $9,000 and $19,500 for single-family homes, depending on size. For multifamily developments, the range per unit is approximately between $4,400 (studio) and $14,000 for three plus bedroom units. This cost obviously constitutes part of the total development cost of the project and is transferred to the ultimate user, thus increasing the cost of housing. Waiving these fees for affordable housing developments, especially for rental housing, will help promote the affordable housing goals of the City of Highland Park.

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[29] Santa Fe, New Mexico, has adopted a policy for building permit and impact fee waivers to promote affordable housing.

A mechanism that will reduce the impact of these fees on affordable housing without impeding the ability of public agencies to provide adequate public service should be developed in Highland Park. One such way may be to increase these fees on the higher market rate housing and the large single-family homes in order to offset the waivers that would be granted to affordable housing developments. In this way, public agencies will be able to collect the revenues they need, affordable housing development is promoted, and the burden is borne by those who can absorb it.

IMPLEMENTATION THROUGH PUBLIC POLICY

1. HPHC and the Highland Park Plan Commission will recommend to the city council amendments to the planned unit development regulations to assure that developments over a certain acreage and/or unit count threshold trigger a requirement for the provision of affordable housing or the payment of a fee-in-lieu for providing affordable housing if the provision of units is determined to be unfeasible. In addition, the city should develop regulations to assure that other special development opportunities such as future additional redevelopment of Fort Sheridan or the expansion of the health care district into adjacent areas are required to provide affordable housing units or a fee-in-lieu for the provision of affordable units units.

2. The city will amend its relevant ordinances and create incentives for providing affordable housing as a trade-off for departures or exceptions routinely requested from the city's development regulations.

3. The city will establish fees to be assessed upon the demolition of residential structures (tear-downs) and/or on new development. Revenue from such fees will be used to support activities, such as a land trust or trust fund to preserve and provide affordable housing.

4. The city will amend its ordinances to assure developers of affordable housing that impact fees, building permit fees, tap-on fees, and other fees will be partially or completely waived, depending upon the extent of the affordable housing component in the development.

SECTION FOUR: ACTION STEPS

The following table sets forth action steps to be taken during three time periods (Short-Term, 0-2 Years; Midterm 2-5 Years; Long-Term 5+ Years). One critical element of the implementation of the affordable housing plan will be the hiring of a full-time staff person, for a minimum period of one year, to work with HPHC and the city council on the action plan set forth herein. HPHC has focused on preparing a plan that, while ambitious, is achievable through the use of proven affordable housing strategies. In order to produce results implementation of the plan will require an intense period of dedicated work, technical expertise, and staff continuity.

Table 8: Action Steps

Recommendation	Responsibility	Short-Term 0-2 Years	Mid-Term 2-5 Years	Long-Term 5+ Years
GENERAL				
Hire temporary staff person to initiate plan implementation	City of Highland Park	✓		
Collect data relative to the supply and demand for affordable housing in the city	HPHC Community Department	✓	✓	✓
Assess data needs relative to affordable housing and develop mechanisms for collection of such data through ordinances or administrative procedures	HPHC Community Development Dept.	✓	✓	✓
Coordinate, monitor, report and publicize on the status of the affordable housing plan	HPHC Community Development	✓	✓	✓
Appointment of affordable housing liaisons to the HPHC. By pertinent commissions	Plan commission, Historic Preservation, Human Relations, etc.	✓		
LAND TRUST AND TRUST FUND				
Strategic Planning for Development of land trust and trust fund	HPHC/City of Highland Park	✓		
Develop organizational structure of land trust and trust fund	HPHC recommendation to city council	✓		
Prepare and adopt ordinances establishing land trust and trust fund	HPHC and corporation counsel	✓		
Identify land trust and trust fund revenue sources	HPHC/city staff/land trust and trust fund entities	✓	✓	✓
Prepare and adopt ordinances to implement land trust and trust fund revenue sources	Corporation counsel/city council	✓		

Recommendation	Responsibility	Short-Term 0-2 Years	Mid-Term 2-5 Years	Long-Term 5+ Years
		✓		
Prepare budget request to city for land trust and trust fund start-up	Housing Commission	✓		
Land trust and trust fund initiate property acquisition and other affordable housing activities	Land trust/trust fund entity	✓	✓	✓
Seek out donations/ grants to land trust and trust fund	Land trust/trust fund entity	✓	✓	✓
PUBLIC POLICY				
Amend the zoning Ordinance to require the provision of affordable housing units or a fee-in-lieu in all zoning districts and in planned unit developments, based on project thresholds (inclusionary zoning) and in "special opportunities" cases	HPHC, plan commission, city council	✓		
Establish fees recommended herein including: • Tear down fee • New construction fee • Other fees	City council	✓		
Amend city codes to waive or reduce application, building permit, tap-on and other fees in cases of the provision of affordable housing units	City council	✓		
Create a reuse plan for Fort Sheridan, which contains a provision for a certain percentage of housing to be developed as affordable housing	HPHC/planning commission/ city council	✓	✓	✓

CONCLUSION

The preceding pages addressed a number of strategies and recommendations. It is apparent that no single one is going to solve the spectrum of affordable housing issues. It is more likely that a number of appropriately packaged strategies and recommendations will do so.

An example of combining different strategies is the approach that Highland Park itself has implemented in connection with the Central Avenue Development. Working together, HPHC and the city provided land for the development. The city has committed to waive certain fees including development impact fees, and allowed for density increases. Sponsored by the city, this 60-unit development for seniors contains affordable for-sale condominium and rental units, and is expected to break ground in the year 2000. This is a model that should be replicated in the future to meet affordable housing needs.

A number of federal, state, and county programs provide funding support to promote affordable housing. Most of them target low-income populations, earning household incomes of less than 80% of the area median income. Some programs are for special populations (e.g., the elderly, persons with disabilities) while others apply more generally. Some resources are available only to nonprofit organizations engaged in the provision of affordable housing. Hence, it would be useful for the city to strengthen existing nonprofit entities and to assist in the formation of others so that such restricted resources may be utilized in Highland Park. A summary of programs that are potential resources for Highland Park and detailed descriptions of those programs are included in the Appendix.

A skillful use of the strategies, recommendations, and resources presented in this report can have a significant impact in addressing affordable housing goals in Highland Park. The framework for oversight and leadership is already in place. HPHC is an established entity with proper mandate by the City Council to pursue affordable housing goals. Implementation can be started with the establishment of an appropriate structure manned with qualified staff.

It is our sincere hope that these strategies and recommendations provide a blueprint for action to begin to address the needs identified in this report, and to make strides toward the declared goal of enhancing affordable housing opportunities in Highland Park.

APPENDIX 1

CHICAGO AREA MEDIAN INCOME
AND
HIGHLAND PARK HOUSEHOLD INCOME BY AGE GROUP

CHICAGO AREA MEDIAN INCOME 1999

	1 Person HH	2 Person HH	3 Person HH	4 Person HH	5 Person HH	6 Person HH	7 Person HH	8 Person HH
50% Area Median	$22,350	$25,500	$28,700	$31,900	$34,450	$37,000	$39,550	$42,100
80% Area Median	$33,450	$38,250	$43,000	$47,800	$51,600	$55,450	$59,250	$63,100
100% Area Median	$44,700	$51,000	$57,400	$63,800	$68,900	$74,000	$79,100	$84,200

HIGHLAND PARK HOUSEHOLD INCOME BY AGE GROUP 1999

1999	Total	< 25	25-34	35-44	45-54	55-64	65-74	75+
Total Households	11,131	135	1268	2712	2742	1,767	1286	1,221
<$49,999	2467	67	376	426	323	296	379	600
$50,000-$99,999	3143	56	457	779	581	498	431	341
More than $100,000	5521	12	435	1507	1838	973	476	280

Source: Claritas, Inc.

Highland Park Household Income by Age Group 1989

1989	Total	<25	25-34	35-44	45-54	55-64	65-74	75+
Total Households	11,045	130	1,579	2,885	2266	1791	1368	1026
<$49,999	5,495	128	1,034	1,212	737	794	811	779
More than $100,000	5,550	2	545	1,673	1,529	997	557	247

Source: U.S. census
1989 dollars adjusted for inflation to 1999 dollars

Appendix 2

Highland Park Employers Contacted for Survey of Major Employers

The consultants contacted the following Highland Park employers to survey:

Dominick's Finer Foods

Highland Park High School District 113

Highland Park Hospital

United States Postal Service

Jewel Food Stores

North Suburban Special Education

North Shore School District 112

Rocco Fiore & Sons

Solo Cup Company

Sunset Food Mart

City of Highland Park

Business and Economic Development Commission

Family Service of South Lake County

First Bank of Highland Park

Mesirow Financial Corporation

APPENDIX 3

SURVEY OF MAJOR EMPLOYERS

The Nathalie P. Voorhees Center for Neighborhood Improvement
University of Illinois at Chicago
Highland Park Affordable Housing Plan
Survey of Major Employers

INTRODUCTION

The City of Highland Park Housing Commission has retained the Nathalie P. Voorhees Center for Neighborhood Improvement to prepare an Affordable Housing Plan for the City of Highland. As part of this process, we are interviewing local employers about those aspects of the plan that have to do with their employees. We have sent you a letter explaining the purpose and a sample of the survey we are conducting. We very much appreciate your participation in this survey. All your responses will be confidential and only reported as aggregate data or anonymously.

Survey # ________

1. What is your total Number of Employees: __________

2. What is the yearly salary range of your employees and your estimate of how many of your employees by salary range reside in Highland Park?

$0-14,999	___________ #Of employees	_______________ estimated #living in Highland Park
$15,000 to 24,999	___________ # Of employees	_______________ estimated # living in Highland Park
$25,000-49,999	__________ # Of employees	________________ estimated # living in Highland Park
$ 50,000-74,999	___________ # Of employees	________________ estimated # living in Highland Park
$75,000-100,000	___________ # Of employees	________________ estimated # living in Highland Park
$100,000 or more	___________ # Of employees	________________ estimated # living in Highland Park

3. Would you please tell me the breakdown of your employees by the ZIP Code where they live? If you can not give me this information immediately over the phone, would you be able to fax or send this information to me?

Zip Code Number Number of Employees

4. Do you have any comments regarding the housing supply in Highland Park and how it affects you in hiring employees, turnover in employees, and employee absenteeism?

5. Are you aware of any problems your employees have in securing housing within a convenient distance of their jobs? Please, explain.

6. Would availability of affordable housing in Highland Park improve your prospects for hiring or retaining employees?   Please, explain.

7. What recommendations would you make to the city of Highland Park regarding development of affordable housing (probe for: target groups, price range, location, and convenience…)

8. Would your firm be willing to enter a partnership with Highland Park or other entities to help develop housing affordable for your employees? Under what conditions? Please, explain.

9. If you are interested in exploring partnerships with the Highland Park Housing Commission to help develop affordable housing for your employees, can we share this interest with the Highland Park Housing Commission?

APPENDIX 4
MAP OF HIGHLAND PARK EMPLOYEES PER ZIP CODE

APPENDIX 5

HIGHLAND PARK HOUSING TENURE

Highland Park Housing Units Tenure by Race*

Census Tract 8647

Race	Owners	Renters	Totals
White	1181	35	1216
Black	9	0	9
Native American	0	0	0
Asian	37	0	37
Latino	14	0	14
Totals	1241	35	1276

Census Tract 8651

Race	Owners	Renters	Totals
White	44	402	446
Black	0	91	91
Native American	0	0	0
Asian	0	38	38
Latino	0	10	10
Totals	44	541	585

Census Tract 8653

Race	Owners	Renters	Totals
White	774	20	794
Black	0	0	0
Native American	0	0	0
Asian	14	13	27
Latino	5	0	5
Totals	793	33	826

Census Tract 8654

Race	Owners	Renters	Totals
White	820	553	1373
Black	0	14	14
Native American	0	0	0
Asian	12	46	58
Latino	42	101	143
Totals	874	714	1588

Census Tract 8655

Race	Owners	Renters	Totals
White	1039	620	1659
Black	14	67	81
Latino	0	173	173
Asian	0	21	21
Native American	0	0	0
Totals	1053	881	1934

Census Tract 8656

Race	Owners	Renters	Totals
White	1196	108	1304
Black	0	0	0
Native American	0	0	0
Asian	0	0	0
Latino	12	0	12
Totals	1208	108	1316

Census Tract 8657

Race	Owners	Renters	Totals
White	1901	239	2140
Black	8	29	37
Native American	0	0	0
Asian	45	4	49
Latino	0	18	18
Totals	1954	290	2244

Census Tract 8658

Race	Owners	Renters	Totals
White	2064	184	2248
Black	9	0	9
Native American	0	0	0
Asian	45	14	59
Latino	17	7	24
Totals	2135	205	2340

Source: 1990 U.S. Census.

* Data includes only occupied units in Highland Park.

APPENDIX 6

DEMOLITIONS IN HIGHLAND PARK 1991- 1999

Demolitions in Highland Park 1991-1999

1999

1611Green Bay Road
1615 Green Bay Road
1625 Green Bay Road
1627 Green Bay Road
1637 Green Bay Road
1643 Green Bay Road
1957 Sheridan
2371 St Johns
1530 McCizren
1635 Second Street
168 Vine
1947 unknown
410 Markham
2506 St John
1509 Oakwood
1351 Sunnyside
23 Lakeview
273 Park
1588 Oakwood
920 Baldwin
268 Poplar
1851 Midland
1790 Ridge
1500 McDaniels
920 Bobo Lane
67 Laurel
1141 Wade
1299 Lincoln
905 Central
909 Central
917 Central
820 Baldwin
1850 Crescent Court
995 Marion
810 Kimballwood
1844 Northland
68 Lakeview
1776 Sunset
1710 Elmwood
1571 Sherwood
1328 Lincoln

1998

214 Cedar
1517 Knollwood
1620 Green Bay Road
1628 Green Bay Road
1642 Green Bay Road
1648 Green Bay Road
707 Deerfield
1820 Elmwood
124 Lakewood Place
1955 Second Street
601 Onwentisa
2358 Green Bay Road
3510 University
2010 Green Bay Road
2020 Green Bay Road
2026 Green Bay Road
2032 Green Bay Road
2040 Green Bay Road
2046 Green Bay Road
2052 Green Bay Road
620 Homewood
645 Park Avenue W
653 Park Avenue W
659 Park Avenue W
1784 Elmwood
588 Onwentsia
2068 Windy Hill Lane
1514 Mill Trail
2235 Highmoor
779 Lake Cook Road
795 Lake Cook Road
803 Lake Cook Road
2413 Egandale
1321 Ridge
650 Elm
1853 Green Bay Road
1859 Green Bay Road
1867 Green Bay Road
1875 Green Bay Road
1881 Green Bay Road
1885 Green Bay Road

544 Skokie
355 Briar
434 Briarwood Lane
230 North Deer Park
890 Harvard Court
323 Ridge Road
1181 Lincoln
1263 Glencoe
1185 Taylor
915 Ridge
933 Ridge
361 Ridge
1045 Wade Street
3104 Priscilla
1978 Holly
1062 Princeton
1680 Cloverdale
1577 Cloverdale
99 Roger Williams
448 Hazel Avenue
1745 Clifton
2100 First Street
1843 Green Bay Road
1844 Northland
1210 Crofton
425 Briarwood Lane
773 Laurel

1997

1747 Elmwood Drive
330 Hazel Avenue

1996

35 Acorn
810 Bronson

1995

No data available

1348 Linden Avenue	131 Cary
807 Kimballwood Lane	1171 Central
165 Maple Avenue	1843 Clavey
37 Sheridan Road	1789 Dale
885 Central Avenue	2365 Egandale
891 Central Avenue	1281 Glencoe
897 Central Avenue	1144 Green Bay Road
925 Central Avenue	1674 Green Bay Road
291 Central Avenue	1688 Green Bay Road
1492 Sheridan Road	1696 Green Bay Road
1283 Sherwood Road	850 Kimballwood
985 Ridge Road	3404 Old Mill
734 Ridge Road	2559 Ravenswood
1220 Lincoln Avenue S	841 Ridge
404 Moraine Road	2163 Sheridan
171 Cary Avenue	2313 Sheridan
946 Burton Avenue	1705 Sunnyside
1421 Waverly Road	1728 Sunnyside
557 Skokie Avenue	106 Vine
1845 Clavey Road	
2172 Linden Avenue	
1237 Linden Avenue	
1674 Green Bay Road	
1688 Green Bay Road	
1696 Green Bay Road	

1994	1993	1992
1928 Green Bay Road	2285 Highmoor Road	997 Bob-O-Link Road
1930 Green Bay Road	1980 Lewis Lane	957 Green Bay Road
1940 Second Street	749 Old Trail Road	467 Ridge Road
1948 Second Street	2358 Green Bay Road	2000 Dale Avenue
1336 Linden	436 Burton Avenue	603 Skokie Avenue

1011 Marion
470 Beech Lane
1855 Dale Avenue
686 Homewood Avenue
688 Homewood Avenue
696 Homewood Avenue
3071 Ridge
1997 Lake Avenue
1689 Green Bay Road
1678 Second Street
1686 Second Street
1694 Second Street
1708 Second Street
2376 Sheridan Road
824 Central
2003 Second Street
2011 Second Street
2017 Second Street
55 Prospect Avenue
839 Bobo Link Road
1560 Berkeley Road
412 Orchard Lane
65 Acorn
2180 Churchill Lane
1907 Clavey Road
2025 Clavey Road
760 Marion Avenue
820 Marion Avenue
440 Moraine Road

520 Audubon Place
1581 Park Avenue W
61 Hazel
375 Beech Street
859 Judson
780 Bobo Link Road
1625 Ridge Road
1685 Ridge Road
1456 Cavel
994 Brittany Road
990 Judson
1330 Sheridan Road
69 Sheridan Road

156 Barberry
221 Bloom Street
340 Briar Lane
1902 Cloverdale
1782 Cloverdale
165 Maple Avenue
936 Thackeray

1991

685 Homewood Avenue
689 Homewood Avenue
2152 Midlothian Avenue
2160 Midlothian Avenue
620 Vine Avenue
630 Vine Avenue
580 Glenview Avenue
387 Moraine Road
1780 Spruce Street
1020 Chaucer Lane
596 Chaucer Lane
596 Clavey Lane

APPENDIX 7

BUILDING PERMITS IN HIGHLAND PARK

HIGHLAND PARK BUILDING PERMITS

	Total Bldgs	Total Units	Single Family Bldgs	Single F Units	Multi Family Bldgs	Multi F Units
99*	34	34	34	34	0	0
98	59	71	56	56	3	15
97	50	65	49	49	1	16
96	62	62	62	62	0	0
95	73	145	71	71	2	74
94	53	53	53	53		
93		49	49	49		
92	50	50	50	50		
91		87	47	47		40
90		82	46	46		36
Total	381	698	517	517	6	181

* For the months of January through June

APPENDIX 8

HOUSING KEY INFORMANT INTERVIEWS SUMMARY

HIGHLAND PARK AFFORDABLE HOUSING PLAN: SUMMARY OF INTERVIEWS

Total number of key informants interviews completed: 13

Interviewees included directors/staff of social service and advocacy agencies, City of Highland Park, and members and ex-members of Highland Park Commissions.

Nine were face-to-face interviews; four were conducted by phone.
Approximate length: of each interview: 60 minutes.

Results

Definition of Affordable Housing

People should pay only up to 20% of their income in housing
People should pay only up to 25% of their income in housing
Low and moderate-income families working in Highland Park (2 answers)
Displaced Latino families and housing for young families
Independent living opportunities for disabled residents
Housing for people in low to mid-income situation (seniors, starters)
Housing for starters, rental housing
Housing for civil servants (police, firemen, teachers, city employees) and starters.

Most people defined it in terms of low- to moderate-income households including seniors, Highland Park workers, displaced Latinos. In addition, others interviewed defined it in terms of starters, retiring residents, middle class households and the disabled; in other words, people who are Highland Park residents with a local claim moving up or down the income ladder.

Current Location of Affordable Housing

Low- to moderate-income housing is defined as older housing stock, mostly located along Green Bay and Central Streets or above retail establishments, particularly in the downtown area. Middle-income affordable housing consists of smaller houses located in areas like Ravinia between Green Bay and the tracks and south of Roger Williams. According to one interviewee, there are two assisted housing developments and a total of nine section 8 certificate holders in town.

Residents in Affordable Housing Stock

Latinos have lived in and near the central business district (Central and Green Bay in particular). Middle-income households occupy smaller housing.

How was this Housing Developed or how did it become Available/Affordable?

Much of the older housing near downtown was housing that may have been inherited by people who did not move into it but preferred to subdivide and rent. There is also traditional multifamily rental housing or simply housing that is smaller and old. Smaller, one family detached houses (e.g. near Ravinia) are in areas with smaller lots that have been traditionally middle-income.

Benefits and Shortcomings

Presence of this housing speaks to the character and diversity of the town from its inception. It allows people to go smoothly through their housing stages in life without having to leave town. It provides the town with a ready labor force for lower-pay occupations. People should have the option of living where they work. They serve the town; therefore, the town has some obligations to them.

Concerns about Current Status of Affordable Housing in Highland Park

For a variety of reasons, interviewees were unsatisfied with the current status of affordable housing.

1. Depletion through redevelopment into higher income, market rate units
2. Increasing home values pricing out traditional populations and local workers
3. Inability of seniors to stay
4. Inability of starters to find affordable rental housing
5. Limited and shrinking rental housing stock
6. There is a perception that residents have an unwillingness to provide low-income and Latino workers with housing opportunities to live in Highland Park.

Each interviewee (some with more, some with less passion) seemed to be sending a message through us in hopes that their view would be heard. Most, however, were somewhat skeptical that anything would be done about housing affordability in Highland Park.

Concerns Regarding Development of Affordable Housing

Concern 1. With three exceptions, interviewees had a negative opinion about development of density housing. It destroyed the character of Highland Park. It had the potential for creating (undesirable) concentrations. It was done only for the purpose of speculation. It did not replace the affordable housing units demolished but mostly made way for more dense and expensive housing. The majority of residents would not accept it. The three dissenters indicated that once built people forgot or that it was a matter of perception. It was more important to do well-designed developments.

Concern 2. Given the current prices of land and dwellings in Highland Park, development of affordable housing may be prohibitively expensive. The town is in a prime location by the lake and the best and highest use calls for relatively expensive housing.

Concern 3. It (affordable housing) may not be politically feasible to develop. People talk about it periodically but don't want to do anything about it. They are concerned about the quality of their schools and the price of their properties. They prefer that low- to moderate-income people live in other municipalities (e.g., North Chicago, Highwood).

Need for Affordable Housing

With perhaps one exception, interviewees agreed that there was a serious need for development of additional affordable housing in Highland Park.

Target/Need

Affordable housing should be developed for groups in this order:

1. Latino families. Reasons: a. They have been displaced b. Latinos comprise a large proportion of service workers in Highland Park c. Diversity.

2. Seniors. Reasons: a. They usually live on fixed incomes b. As residents age, their needs for housing change and they should be given the opportunity to retire locally c. Residents should have the opportunity to bring their (lower-income) elders to live nearby d. Diversity.

3. Young families/starters. Reasons: a. People born in Highland Park who are starting their own households should have a chance to stay b. Starter families are the future and they contribute to the vitality of the town c. Diversity.

4. Public servants (police, firemen, teachers, and hospital employees). Reasons: a. They provide unique services to Highland Park and should have the opportunity to live locally if they so chose b. Diversity

5. Disable persons. Reasons: a. Disabled members of local families should have an opportunity for independent living b. People have to send their disabled members to institutions elsewhere because there are no local options for them c. They share a similar situation to seniors because they often cannot afford market rate housing locally.

6. Low- to moderate-income workers. Reasons: a. Availability of employees is tied to availability of affordable housing b. If they serve the town, town has some responsibility to them.

Who should develop this housing?

Local government should take the initiative. The Housing Commission should play a central role. Local government can put together partnerships, provide the subsidies, and help with the financing. Most interviewees thought that affordable housing development won't happen without commitment and support of local government.

Financial and Other Resources

a) Reserve a percentage of housing stock for low-income people
b) Land is available in the former Jewel location and the former location of the fire station. The hospital has land that could be used for construction of affordable housing. Some thought that land is available in the central business area. Also, it was thought that some of the older houses could be torn down to build affordable apartments.
c) As a wealthy community, Highland Park should not have difficulty in dedicating some of its resources for affordable housing.
d) Local government could provide a $20,000/unit subsidy to build or rent two and three-bedroom affordable housing units.
d) Housing Commission can petition for higher density in the downtown area; municipality can use bonuses to make development of affordable housing feasible.
e) Municipality can revise some requirements down (e.g., requiring one instead of two parking spaces per unit) to increase affordability.
f) The formula should be mixed income and mixed use development with higher density in the downtown area.
g) City can engage in creative partnerships--e.g. for disabled people, city can provide the units and social agencies the supportive services.
h) City can use its unused bonding capacity and excellent rating to develop/acquire this housing.

Possible Location of Affordable Housing

Most respondents agreed that the best location is the central business area (often implying also higher densities). Most, however, also warn against concentration of lower-income people or higher densities. They also discussed scattered housing development.

Pros and cons of a downtown location include: 1. A downtown location is more palatable for voters. 2. It increases the viability of downtown through a higher presence of pedestrians. 3. Land is more available in the downtown area. 4. It may result in concentration of the lower-income populations with all the related problems. 5. It is more accessible--by public transportation.

Pros and cons of scattered affordable housing: 1. It avoids low-income and ethnic concentrations (e.g., Latino). 2. It is less visible. 3. Land is prohibitively expensive in some locations and could not be accessed for affordable housing development. 4. It would be much more expensive to develop scattered sites.

Nature of Affordable Housing Development

Respondents came up with three major ideas:

a. Development of mid-density complexes in the downtown area. One person added the element of mixed income (market rate and subsidized), mixed use (residential, commercial), mixed size (studios, one, two and three bedrooms), mixed forms of tenure (rental and ownership) and mixed group (elder, disable, Latino, single) approach.
b. Development of scattered, low-density units.
c. Municipality should acquire a number of old, small properties that come up for sale, put them in a trust and rent them at affordable prices. Along these lines, municipality should keep subdivisions as are and prevent any land assemblage for development of higher density or lower density housing. It should work to maintain an adequate supply of older housing, particularly in areas of smaller size lots and houses.

Everybody agreed on the need for affordable rental housing. While recognizing the difficulty of selling the idea locally, many support multifamily developments for reasons of cost and ability to produce more units. Most respondents opposed high concentrations. Nobody talked about a mass addition of affordable housing units. One respondent emphasized retention of the current diversity in stock.

Sale/rental Price

Respondents had only general responses or examples (e.g., 20% or 25% of income; affordable to households with two income-workers earning minimum wages; affordable to people making under $50,000/year).

Feasible Opportunities

The only option that everybody found politically feasible was some form of highly invisible scattered low- to moderate-income housing. Everybody found higher density economically feasible but not politically feasible. Retention of current stock was proposed by one as safe.

Many interviewees were cynical as reflected in the following quotes.

“Residents and the municipality only want the poor and their institutions hidden in basements.”

“On the one hand, they say that they are interested in affordable housing. On the other, they are knocking down the housing where some low-income local workers can live.”

“Highland Park needs us but they don't want to have us for neighbors.”

“The issue is property values and schools. Highland Park wants to maintain its North Shore status.”

“Most people say let them live in Highwood and let's keep our standards.”

“The economics of recruiting low to mid-wage workers to work in Highland Park is not working but residents don't care.”

“We need it but we are not willing to do what it takes to get it done.”

A few interviewees were optimistic.

“There are people who have compassion and interest.”

“I am optimistic because the city council is more liberal than most.”

Others were forceful.

“The city should demand that developers include a percent of units for low-income households.”

“Not to address the affordable housing problem now is a mistake. We have the opportunity now.”

“The city should develop housing for low-income workers and for seniors.”

“Density is a concern but once it is done people will accept it.”

The general expectation is that the city needs to take the initiative and make it happen.

<u>Required steps to secure support</u>

The following is a list of proposals made by respondents in order of priority.

1. There is a need for intense and widespread community education. Teach residents about the town's dependency on low-wage workers. Explain to them that business viability depends on the availability of such workers. People need to know that these are decent people who are doing their best. We need to educate people about difference and that cultural diversity is a good thing. We help ourselves by helping them. Decent housing opportunities makes them better workers. It takes a lot of the stress off their backs making drugs and other "solutions" unnecessary. It helps their children succeed. Liberal and religious communities could play a major role in this education.

2. There is need for a strong message of support for affordable housing on the part of the city administration. The City needs a vision and a practical plan, and must get in the business of selling it to the community.

3. The main players need to come together (employers, the city, institutions) and agree on a plan.

4. Housing Commission should line up behind a plan and push hard to have the city council and residents approve it.

5. Employers could put together a forum to explain their situation to residents.

6. Housing Commission should do a survey to find out where local workers live and how many would live in Highland Park if they had a chance.

7. We have to end a development pattern that tears down older family homes and replaces them with new town homes which are out of reach for the Highland Park service worker.

<u>Role of the Commission and others</u>

(Repeats much from above)

Housing Commission, again, should line up behind a plan and push hard to have the city council and residents approve it.

Municipality should take the initiative, bring together potential partners and work out a solution acceptable to all of them.

Employers with a possible role mentioned by interviewees included Sunset Foods, Target, Solo Cup, Jewel, Ravinia, the local hospital, the local school district, and the municipality. Employer supported housing was mentioned as an important strataegy to consider.

Churches and other local institutions should educate residents about the need for and convenience of affordable housing development. Institutions mentioned included social service agencies, congregations (e.g. the Congregation Solel, the Immaculate Conception and Saint James church), the Housing Commission, and the Chamber of Commerce.

<u>Other Ideas/Issues/comments</u>

1. All interviewees consider Highland Park a diverse town and insist that they want to keep that diversity. When asked about the meaning of diversity, respondents were looking for words and came up with evasive or general responses. Diversity means different housing stock (lot sizes, middle to upper income housing. It means the

presence of institutions serving the low income; it means the diversity of the labor force.

2. There have been three housing meetings in the last three decades. The first one took place in the 1970s. Nothing was ever done. The affordability problem, meanwhile, has gotten worse from meeting to meeting.
3. Traffic and demand for workers has and will likely increase with further development of retail in the downtown area. There are "help wanted" signs everywhere. Development of Renaissance Place will increase demand for service workers making the market more competitive. How will employers be able to secure low-wage employees without sacrificing the viability of their businesses? How willing will workers be to put up with heavy traffic to come to minimum wage jobs?
4. To build affordable housing for workers in Highland Park will require a fight.
5. North Shore employers will be hurt if workers cannot afford to live in the area.
6. Inter-municipality cooperation is an interesting idea but Highland Park, Highwood and Lake Forest are not very friendly to each other.
7. Affordable housing in Highland Park is old housing.
8. We don't need very high density to produce affordable housing.
9. What developers (and the city) have done for senior citizens, they can and should do for Highland Park workers.
10. People may be more willing to accept density downtown provided that it is not higher than existing condominiums.
11. The needs of the well to do senior households have been taken care of. That is the easy part. The need for affordable housing for seniors will continue. The more difficult problem is to address the displacement of low-income residents and to replace the affordable housing stock demolished.
12. We need to make sure that the affordable housing developed is properly maintained.
13. Municipality should provide some compensation to the families displaced by new construction. Municipality is as guilty of their displacement as are the developers. It was a cooperation between the city and developers, a sweet deal.
14. To a large extent, Highland Park depends on affordable sites such as North Shore Estates in Highwood. This is a prime lake front location. If this property were redeveloped for higher income housing, everybody would suffer.

APPENDIX 9

HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA
APPLICATIONS AND LOANS
FOR HIGHLAND PARK
1993-1997

HOME PURCHASE LOANS

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
<$44,640	Asian	Applications	0	0	0	1	0	1	0
		Loans	0	0	0	0	0	0	0
		Loan-Acceptance Ratio (%)	0	0	0	0	0	0	0
	Black	Applications	0	2	0	0	0	2	0
		Loans	0	1	0	0	0	1	0
		Loan-Acceptance Ratio (%)	0	50	0	0	0	50	50
	Hispanic	Applications	4	2	2	5	0	13	3
		Loans	4	2	1	3	0	10	2
		Loan-Acceptance Ratio (%)	100	100	50	60	0	77	77
	White	Applications	31	39	25	25	34	154	31
		Loans	24	31	18	17	25	115	23
		Loan-Acceptance Ratio (%)	77	79	72	68	74	75	75
	Other	Applications	1	0	0	0	0	1	0
		Loans	1	0	0	0	0	1	0
		Loan-Acceptance Ratio (%)	100	0	0	0	0	100	100
	Unknown	Applications	0	2	0	3	2	7	1
		Loans	0	1	0	1	2	4	1
		Loan-Acceptance Ratio (%)	0	50	0	33	100	57	57
	TOTALS	Applications	36	45	27	34	36	178	36
		Loans	29	35	19	21	27	131	26
		Loan-Acceptance Ratio (%)	81	78	70	62	75	74	74

$44,641-$66,960	Asian	Applications	1	1	4	1	3	10	2
		Loans	1	1	3	1	2	8	2
		Loan-Acceptance Ratio (%)	100	100	75	100	67	80	80
	Black	Applications	3	2	2	1	0	8	2
		Loans	3	2	2	0	0	7	1
		Loan-Acceptance Ratio (%)	100	100	100	0	0	88	88
	Hispanic	Applications	6	1	0	5	3	15	3
		Loans	4	1	0	3	2	10	2
		Loan-Acceptance Ratio (%)	67	100	0	60	67	67	67
	White	Applications	55	62	70	76	60	323	65
		Loans	47	56	59	62	46	270	54
		Loan-Acceptance Ratio (%)	85	90	84	82	77	84	84
	Other	Applications	2	0	0	0	2	4	1
		Loans	2	0	0	0	1	3	1
		Loan-Acceptance Ratio (%)	100	0	0	0	50	75	75
	Unknown	Applications	0	2	1	2	7	12	2
		Loans	0	2	0	1	4	7	1
		Loan-Acceptance Ratio (%)	0	100	0	50	57	58	58
	TOTALS	Applications	67	68	77	85	75	372	74
		Loans	57	62	64	67	55	305	61
		Loan-Acceptance Ratio (%)	85	91	83	79	73	82	82

$66,961-$111,600	Asian	Applications	2	3	3	8	4	20	4
		Loans	2	3	2	6	3	16	3
		Loan-Acceptance Ratio (%)	100	100	67	75	75	80	80
	Black	Applications	4	1	1	2	0	8	2
		Loans	3	1	0	2	0	6	1
		Loan-Acceptance Ratio (%)	75	100	0	100	0	75	75
	Hispanic	Applications	4	4	1	4	4	17	3
		Loans	4	1	0	3	2	10	2
		Loan-Acceptance Ratio (%)	100	25	0	75	50	59	59
	White	Applications	158	160	137	142	175	772	257
		Loans	137	137	116	122	144	656	219
		Loan-Acceptance Ratio (%)	87	86	85	86	82	85	85
	Other	Applications	1	1	1	0	1	4	1
		Loans	0	1	1	0	1	3	1
		Loan-Acceptance Ratio (%)	0	100	100	0	100	75	75
	Unknown	Applications	1	3	2	5	7	18	4
		Loans	0	1	1	4	5	11	2
		Loan-Acceptance Ratio (%)	0	33	50	80	71	61	61
	TOTALS	Applications	170	172	145	161	191	839	168
		Loans	146	144	120	137	155	702	140
		Loan-Acceptance Ratio (%)	86	84	83	85	81	84	84

$111,601-$167,400	Asian	Applications	0	4	1	1	2	8	2
		Loans	0	4	1	1	2	8	2
		Loan-Acceptance Ratio (%)	0	100	100	100	100	100	100
	Black	Applications	0	0	2	1	0	3	1
		Loans	0	0	2	1	0	3	1
		Loan-Acceptance Ratio (%)	0	0	100	100	0	100	100
	Hispanic	Applications	1	1	0	1	2	5	1
		Loans	0	1	0	0	2	3	1
		Loan-Acceptance Ratio (%)	0	100	0	0	100	60	60
	White	Applications	96	101	90	110	101	498	100
		Loans	84	82	83	89	90	428	86
		Loan-Acceptance Ratio (%)	88	81	92	81	89	86	86
	Other	Applications	0	0	0	0	2	2	0
		Loans	0	0	0	0	2	2	0
		Loan-Acceptance Ratio (%)	0	0	0	0	100	100	100
	Unknown	Applications	2	4	2	6	5	19	4
		Loans	2	3	1	6	4	16	3
		Loan-Acceptance Ratio (%)	100	75	50	100	80	84	84
	TOTALS	Applications	99	110	95	119	112	535	107
		Loans	86	90	87	97	100	460	92
		Loan-Acceptance Ratio (%)	87	82	92	82	89	86	86

>$167,400	Asian	Applications	1	2	1	2	3	9	2
		Loans	0	2	0	2	2	6	1
		Loan-Acceptance Ratio (%)	0	100	0	100	67	67	67
	Black	Applications	2	0	3	3	2	10	2
		Loans	1	0	1	2	1	5	1
		Loan-Acceptance Ratio (%)	50	0	33	67	50	50	50
	Hispanic	Applications	0	0	2	0	2	4	1
		Loans	0	0	2	0	1	3	1
		Loan-Acceptance Ratio (%)	0	0	100	0	50	75	75
	White	Applications	104	136	132	153	134	659	132
		Loans	75	111	110	124	109	529	106
		Loan-Acceptance Ratio (%)	72	82	83	81	81	80	80
	Other	Applications	1	1	2	2	2	8	2
		Loans	1	1	2	2	2	7	2
		Loan-Acceptance Ratio (%)	0	100	100	100	0	88	100
	Unknown	Applications	6	11	11	15	14	57	11
		Loans	5	8	10	10	8	34	8
		Loan-Acceptance Ratio (%)	83	73	91	67	57	60	72
	TOTALS	Applications	114	150	151	175	157	747	149
		Loans	82	122	125	140	123	584	118
		Loan-Acceptance Ratio (%)	72	81	83	80	78	78	79

Unknown	Asian	Applications	0	0	0	0	0	0	0
		Loans	0	0	0	0	0	0	0
		Loan-Acceptance Ratio (%)	0	0	0	0	0	0	0
	Black	Applications	0	0	1	0	0	1	0
		Loans	0	0	0	0	0	0	0
		Loan-Acceptance Ratio (%)	0	0	0	0	0	0	0
	Hispanic	Applications	0	0	0	0	1	1	0
		Loans	0	0	0	0	1	1	0
		Loan-Acceptance Ratio (%)	0	0	0	0	100	100	100
	White	Applications	9	5	19	15	23	71	14
		Loans	0	1	13	10	12	34	7
		Loan-Acceptance Ratio (%)	0	20	68	67	52	48	51
	Other	Applications	0	0	0	0	0	0	0
		Loans	0	0	0	0	0	0	0
		Loan-Acceptance Ratio (%)	0	0	0	0	0	0	0
	Unknown	Applications	2	3	3	8	4	20	4
		Loans	0	0	1	1	0	2	0
		Loan-Acceptance Ratio (%)	0	0	33	13	0	10	10
	TOTALS	Applications	11	8	23	23	28	93	19
		Loans	0	1	14	11	13	37	8
		Loan-Acceptance Ratio (%)	0	13	61	48	46	40	42

		1993	1994	1995	1996	1997	Total	Average
YEARLY TOTALS	Applications	497	553	518	597	599	2764	553
ALL INCOME CATEGORIES	Loans	400	454	429	473	473	2229	446
	Loan-Acceptance Ratio (%)	80	82	83	79	79	81	81

APPENDIX 10

HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA
LOANS AND DOLLARS (IN THOUSANDS OF DOLLARS)
FOR HIGHLAND PARK
1993-1997

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
<$44,640	Asian	Loans	0	0	0	0	0	0	0
		Dollars	$0	$0	$0	$0	$0	$0	$0
		Average Loan	$0	$0	$0	$0	$0	$0	$0
	Black	Loans	0	1	0	0	0	1	0
		Dollars	$0	$45	$0	$0	$0	$45	$9
		Average Loan	$0	$45	$0	$0	$0	$45	$9
	Hispanic	Loans	4	2	1	3	0	10	2
		Dollars	$275	$158	$114	$263	$0	$810	$162
		Average Loan	$69	$79	$114	$88	$0	$81	$70
	White	Loans	24	31	18	17	25	115	23
		Dollars	$3,052	$3,359	$1,717	$1,448	$2,463	$12,039	$2,408
		Average Loan	$127	$108	$95	$85	$99	$105	$103
	Other	Loans	1	0	0	0	0	1	0
		Dollars	$59	$0	$0	$0	$0	$59	$12
		Average Loan	$59	$0	$0	$0	$0	$59	$12
	Unknown	Loans	0	1	0	1	2	4	1
		Dollars	$0	$112	$0	$65	$490	$667	$133
		Average Loan	$0	$112	$0	$65	$245	$167	$84
	TOTALS	Loans	29	35	19	21	27	131	26
		Dollars	$3,386	$3,674	$1,831	$1,776	$2,953	$13,620	$2,724
		Average Loan	$117	$105	$96	$85	$109	$104	$102

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
$44,641-$66,960	Asian	Loans	1	1	3	1	2	8	2
		Dollars	$87	$188	$286	$100	$273	$934	$187
		Average Loan	$87	$188	$95	$100	$137	$117	$121
	Black	Loans	3	2	2	0	0	7	1
		Dollars	$413	$241	$321	$0	$0	$975	$195
		Average Loan	$138	$121	$161	$0	$0	$139	$84
	Hispanic	Loans	4	1	0	3	2	10	2
		Dollars	$359	$140	$0	$410	$286	$1,195	$239
		Average Loan	$90	$140	$0	$137	$143	$120	$102
	White	Loans	47	56	59	62	46	270	54
		Dollars	$5,871	$6,903	$7,969	$8,264	$6,688	$35,695	$7,139
		Average Loan	$125	$123	$135	$133	$145	$132	$132
	Other	Loans	2	0	0	0	1	3	1
		Dollars	$279	$0	$0	$0	$145	$424	$85
		Average Loan	$140	$0	$0	$0	$145	$141	$57
	Unknown	Loans	0	2	0	1	4	7	1
		Dollars	$0	$325	$0	$178	$852	$1,355	$271
		Average Loan	$0	$163	$0	$178	$213	$194	$111
	TOTALS	Loans	57	62	64	67	55	305	61
		Dollars	$7,009	$7,472	$8,576	$8,952	$8,244	$40,578	$8,051
		Average Loan	$123	$121	$134	$134	$150	$133	$132

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
$66,961-$111,600	Asian	Loans	2	3	2	6	3	16	3
		Dollars	$494	$580	$352	$1,031	$524	$2,981	$596

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
		Average Loan	$247	$193	$176	$172	$175	$186	$193
	Black	Loans	3	1	0	2	0	6	1
		Dollars	$498	$157	$0	$279	$0	$934	$187
		Average Loan	$166	$157	$0	$140	$0	$156	$93
	Hispanic	Loans	4	1	0	3	2	10	2
		Dollars	$705	$146	$0	$332	$284	$1,467	$293
		Average Loan	$176	$146	$0	$111	$142	$147	$115
	White	Loans	137	137	116	122	144	656	131
		Dollars	$23,785	$24,062	$20,755	$22,071	$27,828	$118,501	$23,700
		Average Loan	$174	$176	$179	$181	$193	$181	$180
	Other	Loans	0	1	1	0	1	3	1
		Dollars	$0	$252	$181	$0	$200	$633	$127
		Average Loan	$0	$252	$181	$0	$200	$211	$127
	Unknown	Loans	0	1	1	4	5	11	2
		Dollars	$0	$80	$155	$675	$1,324	$2,234	$447
		Average Loan	$0	$80	$155	$169	$265	$203	$134
	TOTALS	Loans	146	144	120	137	155	702	140
		Dollars	$25,482	$25,277	$21,443	$24,388	$30,160	$126,750	$25,350
		Average Loan	$175	$176	$179	$178	$195	$181	$180

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
$111,601-$ 167,400	Asian	Loans	0	4	1	1	2	8	2
		Dollars	$0	$688	$285	$290	$325	$1,588	$318
		Average Loan	$0	$172	$285	$290	$163	$199	$182

	Black	Loans	0	0	2	1	0	3	1
		Dollars	$0	$0	$444	$206	$0	$650	$130
		Average Loan	$0	$0	$222	$206	$0	$217	$86
	Hispanic	Loans	0	1	0	0	2	3	1
		Dollars	$0	$190	$0	$0	$524	$714	$143
		Average Loan	$0	$190	$0	$0	$262	$238	$90
	White	Loans	84	82	83	89	90	428	86
		Dollars	$18,558	$19,398	$20,353	$20,611	$23,161	$102,081	$20,416
		Average Loan	$221	$237	$245	$232	$257	$239	$238
	Other	Loans	0	0	0	0	2	2	0
		Dollars	$0	$0	$0	$0	$822	$822	$164
		Average Loan	$0	$0	$0	$0	$411	$411	$82
	Unknown	Loans	2	3	1	6	4	16	3
		Dollars	$504	$862	$125	$1,679	$1,177	$4,347	$869
		Average Loan	$252	$287	$125	$280	$294	$272	$248
	TOTALS	Loans	86	90	87	97	100	460	92
		Dollars	$19,062	$21,138	$21,207	$22,786	$26,009	$110,202	$22,040
		Average Loan	$222	$235	$244	$235	$260	$240	$239

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
>$167,400	Asian	Loans	0	2	0	2	2	6	1
		Dollars	$0	$943	$0	$834	$517	$2,294	$459
		Average Loan	$0	$472	$0	$417	$259	$382	$229
	Black	Loans	1	0	1	2	1	5	1
		Dollars	$461	$0	$500	$855	$500	$2,316	$463

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
		Average Loan	$461	$0	$500	$428	$500	$463	$378
	Hispanic	Loans	0	0	2	0	1	3	1
		Dollars	$0	$0	$451	$0	$650	$1,101	$220
		Average Loan	$0	$0	$226	$0	$650	$367	$175
	White	Loans	75	111	110	124	109	529	106
		Dollars	$24,047	$39,710	$43,623	$47,477	$45,238	$200,095	$40,019
		Average Loan	$321	$358	$397	$383	$415	$378	$375
	Other	Loans	1	1	2	2	2	8	2
		Dollars	$1,000	$594	$580	$518	$518	$3,210	$642
		Average Loan	$1,000	$594	$290	$259	$259	$401	$480
	Unknown	Loans	5	8	10	10	8	41	8
		Dollars	$1,064	$2,398	$2,956	$3,294	$2,546	$12,258	$2,452
		Average Loan	$213	$300	$296	$329	$318	$299	$291
	TOTALS	Loans	82	122	125	140	123	592	118
		Dollars	$26,572	$43,645	$48,110	$52,978	$49,969	$221,274	$44,255
		Average Loan	$324	$358	$385	$378	$406	$374	$370

Income Category	Race		1993	1994	1995	1996	1997	Total	Average
Unknown	Asian	Loans	0	0	0	0	0	0	0
		Dollars	$0	$0	$0	$0	$0	$0	$0
		Average Loan	$0	$0	$0	$0	$0	$0	$0
	Black	Loans	0	0	0	0	0	0	0
		Dollars	$0	$0	$0	$0	$0	$0	$0
		Average Loan	$0	$0	$0	$0	$0	$0	$0

Hispanic	Loans	0	0	0	0	1	1	0
	Dollars	$0	$0	$0	$0	$240	$240	$48
	Average Loan	$0	$0	$0	$0	$240	$240	$48
White	Loans	0	1	13	10	12	36	7
	Dollars	$0	$60	$2,515	$2,183	$3,244	$8,002	$1,600
	Average Loan	$0	$60	$193	$218	$270	$222	$148
Other	Loans	0	0	0	0	0	0	0
	Dollars	$0	$0	$0	$0	$0	$0	$0
	Average Loan	$0	$0	$0	$0	$0	$0	$0
Unknown	Loans	0	0	1	1	0	2	0
	Dollars	$0	$0	$520	$24	$0	$544	$109
	Average Loan	$0	$0	$520	$24	$0	$272	$109
TOTALS	Loans	0	1	14	11	13	39	8
	Dollars	$0	$60	$3,035	$2,207	$3,484	$8,786	$1,757
	Average Loan	$0	$60	$217	$201	$268	$225	$149

TOTALS
ALL INCOME CATEGORIES

	1993	1994	1995	1996	1997	Total	Average
Loans	400	454	429	473	473	2229	446
Dollars	$81,511	$101,266	$104,202	$113,087	$120,819	$520,885	$104,177
Average Loan	$204	$223	$243	$239	$255	$1,164	$233

This is the Home Mortgage Disclosure Act data for Highland Park for the years 1993 through 1997. The data has been broken out into income categories, and the income categories broken out further into racial categories. In this way, the number of loans (in any given year) given to families of a particular race who make a certain amount of money can be determined. For example, it is possible to see how many white families in making under $44, 640 (under 80% of median income) were given loans in 1994 (31 families), as well as the total amount loaned ($3,359,000). In addition, the totals at the bottom of each page are for that particular income group, so it is also possible to find the total number of loans given to families making under $44,460 in 1994 (35) and the total amount loaned ($3,674,000).

APPENDIX 11

AFFORDABLE HOUSING BEST PRACTICES

Highland Park Affordable Housing Best Practices

Introduction

The following is a set of affordable housing strategies and their application in various settings across the country. The strategies researched were chosen based on discussions with the Highland Park Affordable Housing Commission and city administrators, an analysis of the current zoning codes, and a review of past research conducted by Camiros.

Land Trusts

Application to Highland Park

Land trusts preserve existing affordable housing stock by taking it off the market and restricting appreciation. This may be a viable option in Highland due to the scarcity of open land on which to build new affordable units, especially single-family detached homes. Further, home prices in the area are appreciating rapidly. Land trusts could preserve the affordability of some housing before it is priced-out of the area. A land trust would call for funding from corporations, foundations, and the city. The land trust would also require a staff for administration.

Conditions:

- Available parcels for purchase, affordable to moderate to low income families with the subsidized lease
- Staff with housing finance experience
- Access to funding mechanisms

Positives:

- Effective method of maintaining affordability in rapidly appreciating markets
- Once purchased, land remains affordable without additional subsidies

Drawbacks:

- Requires large initial investment to purchase land

Burlington, Vermont- Community Land Trust

Burlington is a city of about 40,000 residents and a median home price of about $120,000. The city established a land trust in 1983, when officials began to look for a planning mechanism that would ensure long term affordability. The Burlington Community Land Trust (BCLT) was created as a non-profit entity to combat rapid appreciation in property values. The BCLT cooperates with the city to purchase land and buildings, holding the land in trust, and controlling land price appreciation for future affordability. Land is purchased with grants and loans from federal, state and local sources. The trust retains permanent possession of these lands, but sells the improvements that are on them (e.g. homes and offices). Home buyers lease property from the land trust. When the leasee moves, the agreement includes a limited appreciation provision, which is a limit on the amount of profit that can be made when the property is sold (25% of market appreciation). The land trust accomplishes two public policy goals: subsidies invested in a property will be retained and recycled for future generations; and housing units will remain affordable for future owners. Currently, the trust owns the property for 250 homes and condominiums, and 250 rental units, holding a real estate value of about $12 million. Using an annual operating budget of $1 million, the trust fund purchases about 40 new affordable units each year.

Trust Funds

Application to Highland Park
Trust funds provide the "gap" financing needed to start or finish affordable housing projects. A trust fund is supported by on-going revenue sources, such as real estate sales taxes, developer fees, linkage fees, and loan interest. Public and private grants can also supplement the fund. In most cases, a trust fund takes about two or three years to organize, and requires knowledgeable staff for its administration. The organizing process tends to mobilize a community around housing issues. A Board of Trustees oversees most trust funds, establishing criteria for who receives subsidies. As a result, one of the benefits of trust funds is the ability for Highland Park to set its own affordable housing guidelines instead of accommodating the requirements of outside funders. Difficulties in establishing a trust fund most often emerge from political efforts to undercut the program (especially if they oppose taxes or fees that support it), inexperienced staff, and a lack of understanding of nonprofit developers.

Conditions:

- Adequate funding sources in a strong real estate market (municipal fees, foundations, corporate funders, financing cooperation from lenders)
- Knowledgeable housing finance staff

Positives:

- Adaptable to the affordable housing needs of the jurisdiction
- Sustained financing supplements outside funding sources (federal, state and non-profit)

Drawbacks:

- Usually requires a constant funding source in the form of taxes or fees
- Long start-up time

Menlo Park, California- Trust Fund
The fund is supported by a fee on commercial development over 10,000 sq ft., which works out to about $1.87 per additional square feet. Fees-in-lieu from the inclusionary housing ordinance also contribute to the fund. For developments over 10 units, one in ten must be affordable. Additional affordable units are allowed as a density bonus. The fee in-lieu is 3% of the sale price for the affordable homes. The in-lieu fee is usually used because parking requirements overide density allowances in many cases. The fund was established in 1987 and has raised $3.3 million, $1 million of which has been used for first-time homebuyer assistance for 35 households. Homebuyer assistance comes in the form of soft second mortgages of about $35,000 that compensate for the interest payments on the mortgages. The trust fund staff is considering how to allocate the

remaining $2.3 million. Those assisted by the fund must have an income under 120% of AMI and live or work in the area.

Palo Alto, California- Trust Fund
In this city of approximately 60,000 people, home prices currently average about $500,000. Palo Alto's trust fund was established in 1985 to help subsidize affordable rental units in this expensive housing market. The main source of funding comes from a fee of $3.87/ sq. ft. on commercial and industrial development that is larger than 20,000 sq. ft. An inclusionary zoning ordinance also requires a fee to be paid to the trust fund in-lieu of providing required affordable units in new developments. Due to the high activity of commercial and industrial construction in the area, the trust fund currently has a budget of $7 million. The fund restricts subsidies to newly constructed rental units targeted at those earning 60% of area median income. The trust fund has subsidized the construction of 400 rental units since its inception. A staff of two people runs the project from within the city's office of Planning and Community Environment.

Employer Assisted Housing

Application to Highland Park
The location mismatch of jobs and housing negatively impacts traffic patterns, employee commuting times, and employer recruiting efforts. As more employees commute in and out of the city, traffic congestion worsens. Further, employers have a vested interest in hiring employees that live near the workplace. A better jobs/housing balance reduces worker turnover and improves punctuality. Highland Park can serve these interests by instituting an employer-assisted housing program. Such programs bring employer influence and resources to bear on the affordable housing problem, lightening the city's burden. An employer-assisted housing strategy can take many forms, including agreements between employers and banks for favorable mortgage financing, employer-sponsored downpayment loans, and mortgage write-downs with employer-purchased bonds. Highland Park should gauge employers' interest in collaborating in an employer-assisted housing strategy, and the possibility of working with the employers' banks for reduced rate mortgages. This strategy would require adequate staff to coordinate initiatives between employers and public agencies.

Conditions:

- Employers with a commitment to affordable housing and the ability to work together toward common goals.
- Cooperative relationship between Highland Park elected officials and major employers.
- Adequate staff to coordinate initiatives between employers and public agencies.

Positives:

- Encourages a jobs/housing balance
- Combines employer resources with existing resources
- Can effectively buy down the cost of existing homes, which is less expensive and controversial than new construction.

Drawbacks:

- Usually does not benefit low-income households, only moderate-income families

Silicon Valley Manufacturing Group (SVMG)

SVMG invites developers to present proposals to them and has a set of guidelines for reviewing and supporting these proposals. The guidelines favor mixed-use development, moderate density increases, affordability, and the siting of housing close to transit to discourage sprawl. If proposals meet the guidelines, SVMG carries out activities to advocate for the development, including letters of support and public testimony on behalf of the project.

Santa Barbara- Coastal Housing Partnership

This consortium worked out an agreement with a local lender to secure favorable financing for their employees in return for certain corporate banking arrangements. Employees have a 90% mortgage with a reduced interest rate, with a 10% down payment.

Baltimore and Los Angeles- Cities Assist Their Employees

These programs target moderate and low-income city employees (mostly police officers and firefighters). Both Baltimore and L.A. offer housing counseling and down-payment assistance. Employees contribute $1,000 of their own savings. The City of Baltimore provides a match of up to $2,500 and a $7,500 deferred loan. L.A. provides a $10,000 downpayment assistance loan and access to below-market mortgage revenue bond financing.

Set-aside Programs

Application to Highland Park

Set-asides increase the affordable housing supply without public subsidies. Costs are born by developers in exchange for density bonuses. Set-asides also require few resources for program administration compared to other strategies. However, density bonuses can be controversial, and there has been significant opposition to density increases in Highland Park. Much of this controversy stems from an aversion to building heights that do not fit in with the town's character. These concerns could be alleviated by requiring developers to meet certain design guidelines, such as using land parcels as efficiently as possible before adding height to buildings. Highland Park could also evaluate the viability of using set-aside requirements instead of incentives. Instead of density bonuses, favorable public and non-profit financing would help developers recoup some of the construction costs.

Conditions:

- Available land for construction or density allowances for rehabilitation and retrofitting existing buildings.
- Flexible zoning code
- Larger than 1 acre vacant tracts zoned residential

Positives:

- Low impact of affordable housing on communities and neighborhoods
- Does not require a large financial investment by the City

Drawbacks:

- Discouraged by those opposing density
- Claims that moderately priced unit owners do not pay property taxes relative to the public services they receive.

Montgomery County, Maryland- Moderately Priced Dwelling Unit Program
This is the country's first mandatory, inclusionary zoning law with a bonus density allowance. County legislation requires that 15% of dwelling units in subdivisions with over 50 units be affordable to moderate-income households. Developers are able increase the density of the subdivision by 20% to recoup costs. The density bonus, in effect, creates free lots upon which the moderately priced units are developed. The price for which the unit can be resold is controlled for 10 years. Households with an income at or below 65% of Area Median Income qualify for the program. The county's housing authority and non-profits have the right to purchase one-third of the moderately priced units produced in each subdivision for its low-income tenants (below 50% of AMI).

Naperville, Illinois- Density Bonuses
The town plan's medium density residential category can be increased to 4 units per acre if the project is well designed and contains a mix of housing types, including townhomes and condominiums. If 20% of the homes are affordable, the density for single family developments in this density category can be increased to 5 units per acre.

Homeownership Subsidies

Application to Highland Park
These programs help write down the cost of purchasing a home. This strategy might be useful for first time homebuyers in the least expensive neighborhoods of Highland Park. Since few new affordable homes can be built within the municipality, write-downs help moderate income households access the existing housing stock.

Conditions:

- Coordination with a variety of funding sources
- Adequate number of homes attainable to moderate

Positives:

- Uses existing housing stock instead of building new structures
- Requires relatively short time-frame for implementation

Drawbacks:

- Usually cannot assist lower income households and renters, especially in strong real estate markets

Eagle County, Colorado- Mortgage Credit Certificate and Down Payment Assistance

The down payment assistance program provides a loan of up to ($20,000 for low income- 80% of AMI, $10,000 for moderate- 100% of AMI, $59-68,000) for down payment and closing costs in this expensive housing market. The purchaser pays a minimum of 3% of the purchase price or $3,000, whichever is less. The purchase price limit is $190,000.The funds are allocated from the county general fund, HUD, the local board of realators, and 2 banks. The program was established in the summer 1998, and has assisted 17 households. The Mortgage Credit Certificate allows qualified first-time home buyers to write off 20 percent of their mortgage interest dollar for dollar against their federal income taxes. This will often allow them to apply for a larger loan. The income limit for receiving this subsidy is $59,000 for a two-person household. The county competed statewide for tax credits worth $5 million. The MCC has assisted 45 households in the past year. The county envisioned using these programs together, but it has not happened due to lack of lender experience with the program. This is slowly changing.

City of West Memphis, Arkansas- Lease Purchase Program

The Lease Purchase Program enables applicants to qualify for mortgages by allowing them to lease a property while building credit and down payment savings. Part of the rent payment is escrowed into savings for accumulating down payment and closing costs. The City used HOPE 3 grants to renovate and sell homes to low-income families.

Regulatory Reform

Application to Highland Park

Zoning regulations and building codes often make affordable development infeasible. Zoning regulations commonly require minimum lot sizes for single-family housing and expensive amenities for multi-family housing. In addition, the permit approval process is often lengthy and confusing, increasing overhead costs for developers. Cities and counties have sought to overcome these regulatory barriers by altering zoning and building codes, and offering one-stop permitting. Highland Park may want to consider a variance ordinance in their zoning code that allows developers to avoid regulatory costs if they meet certain basic guidelines and provide a minimum amount of affordable housing.

Conditions:

- Flexible city council
- Resident buy-in

Positives:

- Requires no public subsidies
- May improve overall zoning performance

Drawbacks:

- May be politically controversial

Louisville, Kentucky- One Stop Permitting

In Louisville, affordable housing developers pointed out that lengthy permit processes significantly increase their up-front costs. To address this problem, the city set time limits on local land-use decisions and mandated one-stop permitting. To expedite the permit approval process, city inspection, permitting, licensing and code enforcement departments have merged into one city agency for one-stop services.

Babylon, New York- Ancillary Unit Ordinance
Similar to Highland Park, Babylon has little vacant land on which to build new units. In addition, rising property taxes and maintenance costs were making it too expensive for many elderly homeowners on fixed incomes. Babylon enacted the ancillary unit ordinance in 1980 in response to these challenges. The ordinance allows for the residential use of accessory or secondary units on developed lots. Single family homeowners are able to rent out an ancillary unit for extra income. Often households will rent such units to family members. The visible impact on neighborhood character is minimal. The ordinance has added about 2,500 affordable rental units to the housing supply as of November 1999. Permits are approved by a Two Family Review Board, which ensures that the unit is part of an owner-occupied property, provides adequate parking, and does not negatively impact neighborhood safety and character. About 95 percent of the permits are approved without protest from neighbors. The permit is renewed after 2 years with a $200 fee ($75 for seniors).

Dade County, Florida
Dade County uses a Zero-Lot-Line provision to encourage greater use of its existing lots. The Zero-Lot-Line allows homes to be placed on side lot lines rather than at the traditional setback distances of 5, 10 or 20 feet. Each unit has a single side yard of twice the size instead of two side yards per house. Using this siting method, the structures can retain the density of duplex rentals with freestanding houses. The Zero Lot Lines allow developers to save on costs by efficiently using land parcels.

APPENDIX 12
RESOURCES SUMMARY

There are a number of federal, state and county programs that provide funding support to promote affordable housing. Most programs are intended to serve low-income populations - households making under 80% of the area median income. Some target special populations, such as the elderly and the disabled, while others apply more generally. Some resources are available only to non-profit organizations that are engaged in the provision of affordable housing. In this context, it would be useful for the city to strengthen existing non-profit entities, or to assist in the formation of others, so that resources that are restricted for use only by non-profits may be put to use in Highland Park.

The following is a review of programs that are potential resources for Highland Park.

SUPPORTIVE HOUSING FOR THE ELDERLY – SECTION 202

This federal program, which is administered by HUD, provides capital advances to finance developments that will serve as supportive housing for very low-income (under 50% of the area median income) elderly persons (age 62 and older). It also provides rent subsidies to help make the units affordable. The capital advance does not need to get paid back as long as the project serves the target population for 40 years. Eligible applicants have to be private non-profit housing development entities. Working with non-profit entities, this program can be a useful tool to meet the needs of seniors.

SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES – SECTION 811

Administered by HUD, this federal program provides capital grants to non-profit sponsors to develop housing for persons with disabilities with the goal of promoting independent living while ensuring that critical supportive services are available. The head of the household receives an accompanying Section 8 voucher or certificate. Similar to the Section 202 program, the capital advance is interest free and does not have to be paid back if it serves its intended target for 40 years. Eligible users are very low-income persons with disabilities between the ages of 18 to 62.

RENTAL HOUSING FOR THE ELDERLY – SECTION 231

This is a federal mortgage insurance program that mandates HUD to guarantee loans made for the construction or rehabilitation of rental housing for use by the elderly (62 years or older) and/or persons with disabilities. This insurance covers the private lender against the risk of default and is applicable to 8 or more rental units. The insurable loan amount in the case of non-profit and public sponsors is 100% of the estimated cost of replacement, while it is 90% for all other sponsors.
There is no tenant income restriction to qualify for this program.

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

This is the primary federal affordable housing program administered by HUD. It allocates over $1 billion annually and provides formula grants to states and localities.

Funds are channeled to local jurisdictions to support affordable housing initiatives for use by households earning below 80% of the area median income. While limiting the use of these funds for low-income households, this program does not preclude the development of mixed-income housing. Depending on the plans submitted by the receiving jurisdictions, this program can be used in a variety of ways to promote affordable housing.

In our region, the State of Illinois, Lake County and the City of Chicago receive annual HOME allocations. The City of Highland Park, or any of its agencies, as well as private for-profit or non-profit entities can access funding under this program to provide affordable housing in Highland Park so long as they meet the requirements of the program. This major funding source should be targeted to supplement the affordable housing strategies that may be employed by Highland Park. Lake County is the agency that allocates HOME funds for projects in Highland Park (the county has requested $1.2 million for 2000).

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Community Development Block Grant Program, CDBG, is another HUD administered federal program that provides funds to states, counties, and cities (cities of over 50,000 people). This direct annual grant can be used "to revitalize neighborhoods, expand affordable housing and economic opportunities, and /or improve community facilities and services, principally to benefit low and moderate income persons. Acquiring "real property for public purposes" is an eligible activity under this program, and as such, resources for the contemplated land trust in Highland Park can be sought through this program, in addition to other uses. Lake County is the allocating agency for Highland Park (the county has requested $425,000 for 2000).

THE LOW INCOME HOUSING TAX CREDIT PROGRAM – LIHTC

The LIHTC program is a major funding source for affordable rental housing. It is a federal program administered by the Internal Revenue Service. IRS allocates annual tax credits to the State of Illinois through IHDA at a rate of $1.25 times the total population of the state less that of Chicago (Chicago receives its own allocation). These credits are in turn allocated to qualifying projects. Any six or more unit multi-family rental development that proposes to set aside a number of the units in the development for low-income use (either 20% of the units for under 50% of median, or 40% of the units for under 60% of median) can apply for tax credits.

This is currently one of the major affordable rental housing programs available. It is not unusual for 35% to 50% of the total development to be covered through tax credit resources. While the proceeds from this program are required to support low-income units (below 80% of median), the program does not preclude mixed income developments. Any development entity (for profit or non-profit) can apply for an allocation under this program. For projects in Highland Park, IHDA would be the allocating agency. Although it may seem like a complex program, developers are familiar with it and it is recommended that both non-profit and for-profit developers seriously look into this resource in order to produce affordable rental housing.

FEDERAL HOME LOAN BANK (FHLB) – AFFORDABLE HOUSING PROGRAM (AHP)

The Federal Home Loan Bank of Chicago AHP program is another resource that assists the development of affordable housing. The program is funded by a set aside of profits from transactions between the FHLB and its member banks. The program covers three states (Illinois, Wisconsin and Indiana) and it typically has approximately $6 million dollars annually to support projects in the three states. While the funding is limited, the program is flexible and targets housing for low income households (under 80% of median income).

Application can only be submitted through member banks who would typically be funding the project's construction or end financing. It is a very competitive but useful source because the funding is mostly a grant that does not get paid back. It can generate up to $5,000 per unit.

THE ILLINOIS AFFORDABLE HOUSING TRUST FUND (IAHTF)

In addition to being a conduit for tax credits and HOME funds, the State of Illinois, through the Illinois Housing Development Authority (IHDA), its housing agency, also administers its own affordable housing program – IAHTF. Funded by transfer taxes, this program generates between $20 to $22 million dollars every year. These funds are available to support affordable housing initiatives targeting households earning below 80% of the area median income. It is a flexible program that can be used in a variety of ways including for homeownership or rental, for special or general populations. It can be directly sought from IHDA by the City of Highland Park or any of its agencies, as well as by private for profit or non-profit developers. This is a significant resource that can support any affordable housing strategies (land trust, trust fund, etc.) that may be employed by Highland Park.

OTHER STATE OF ILLINOIS PROGRAMS

In addition to the programs discussed above (Illinois Affordable Housing Trust Fund, HOME, CDBG and Low Income Housing Tax Credits allocation), the State of Illinois has other affordable housing products that are administered by its housing agency, the Illinois Housing Development Authority (IHDA):

Multifamily Programs: IHDA provides low interest loans and "one-stop" shopping for developers (for-profit, non-profit or government entities) of multifamily housing (townhouses; low, mid, or high-rise buildings or some combination of these). Applicants receive favorable terms (below market interest and longer than the standard 30 years term) in return for setting aside a percentage of the units developed for low income use for the duration of the loan (a minimum of either 20% for households earning under 50% of the area median income, or 40% of the units for households earning under 60%).

First-time Homebuyer Programs: IHDA has the following two first-time homebuyer programs that reduce the cost of purchasing a first home for qualified applicants. Buying a new or an existing single family home, townhouse or condominium are covered by these programs:

1. Illinois First-Time Homebuyer Program (MRB) - This program offers 30 year fixed mortgages at below market interest rates. Closing cost assistance may also provided in certain situations.

2. Mortgage Credit Certificate Program (MCC) - This is a federal tax credit program where qualifying buyers can increase their after-tax income by up to $2,000 every year for the life of the mortgage. The process is initiated by filing a form with IHDA at the time of mortgage application. IHDA issues the Mortgage Credit Certificate shortly after closing. The credit is realized upon by forwarding this certificate to the IRS when annual taxes are filed.

In Lake County, the maximum annual household income limit to qualify for either of these two programs is $76,560 for a family of 2 or less, and $89,320 for a family of 3 or more. This income range covers most moderate, low and very low income households in Highland Park. It is important to set up an appropriate homebuyer assistance program to guide qualifying homebuyers to these resources. Used in conjunction with the strategies discussed above (land trust, employer assistance), these programs would certainly help to promote the affordable housing goal set by the City of Highland Park. Unfortunately, these two programs are mutually exclusive – an applicant can only utilize one or the other.

LAKE COUNTY PROGRAMS

In addition to allocating federal HOME and CDBG funds to assist the development of affordable housing, Lake County, through its Affordable Housing Corporation (AHC), offers two homeowner focused programs. The current income for these programs are under review and are expected to be adjusted sometime in March of this year:[1]

1. Lake County First-Time Homebuyers Program - This program provides up to $5,000 as a 0% deferred payment loan to qualified applicants to help cover down payment and closing costs when they buy their first home. There are maximum income limits to qualify for this program depending on family size ($47,800 for a family of four to receive $3,000, or $31,900 for the same family size to receive $5,000). The purchase price of the home cannot exceed $140,000.

[1] Conversation with AHC official Mary Allen Tamasi who expressed her willingness to work with Highland Park in facilitating the these programs.

2. Lake County Homeowner Rehabilitation Program - This program offers below market interest loans of up to $25,000 to owners of single family homes to rehab their current residences. AHC will also provide free technical assistance to coordinate the rehab work. Again, there are income limit (maximum annual income of $47,800 for a family of four, for example) requirements in order to qualify for this loan.

These county programs are very useful homeowner focused tools. The rehab loan program, in particular, can be utilized to assist existing Highland Park residents to maintain and upgrade their homes. As with the IHDA and other programs discussed above, it is important to set up a mechanism to direct existing and prospective residents to resources that match their respective needs.

APPENDIX 13

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) RESOURCES
TAKEN FROM HUD SOURCES

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM (SECTION 202)

Summary:
Section 202 provides capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable.

Purpose:
This program helps expand the supply of affordable housing with supportive services for the elderly. It provides low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc.

Type of Assistance:
This program provides capital advances to finance property acquisition, site improvement, conversion, demolition, relocation, and other expenses associated with supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project Rental Assistance is used to cover the difference between the HUD-approved operating cost per unit and the tenant's rent. Project Rental Assistance contract payments can be approved up to 5 years. However, contracts are renewable based on the availability of funds. Construction on projects must start within 18 months of the date of fund reservation, with limited exceptions up to 24 months. Funds are advanced on a monthly basis during construction.

Eligible Grantees:
To be eligible for funding under Section 202 the applicant must be a private, nonprofit organization with prior experience in housing or related social service activities. As a minimum capital investment, the owner must deposit in a special escrow account 0.5 percent of the HUD-approved capital advance, up to a maximum of $25,000 for national sponsors or $10,000 for other sponsors. Government entities are not eligible for funding under this program.

Criteria for allocation of program funding include the number of elderly rental households served, the number of very low-income elderly renters in the area, and the number of very low-income elderly renters with housing problems who pay more than 30 percent of their incomes for rent.

Eligible Customers:
The program benefits any low-income residents age 62 years and older.

Application:
Applicants must submit an application for a capital advance, including a Request for Fund Reservation (HUD Form 92015-CA) and other information in response to the Notice of Fund Availability (NOFA) published in the Federal Register each fiscal year. Organizations that apply for Section 202 compete for program funds allocated to each individual HUD Field Office. Awards are usually announced in September.

Funding Status:
The 1995 NOFA provided $510,518,387 in capital advances for 7,409 units; the 1996 NOFA provided $474,370,274 in capital advances for 6,726 units; the 1997 NOFA provided $393,821,826 in capital advances for 5,554 units. The FY 1998 Appropriations Act provides $645,000,000 for capital advances and project rental assistance, including amendments.

Program Accomplishments:
In FY 1998, HUD funded 1,650 units. The Department anticipates a similar level of funding in FY 99. Range and Average of Financial Assistance: In FY 1998, the average award was $821,070; the smallest, $213,000; the largest $1,650,200.

Technical Guidance:
The program is authorized under the Housing Act of 1959; Section 210 of the Housing and Community Development Act of 1974 P. L. 86-372 (12 U.S.C. 1701q, 73 Stat. 654, 667) and the National Affordable Housing Act, P. L. 101-625 (42 U.S.C. 12701). Program regulations are in 24 CFR Part 891. Section 202 is administered by HUD's Office of Multifamily Housing. For more information, contact the Director of Multifamily Housing or the local HUD Field Office.

For More Information:
Prospective sponsors should contact the closest HUD Field Office for more information. Two HUD Handbooks, Supportive Housing for the Elderly (#4571.3) and Supportive Housing for the Elderly--Conditional Commitment--Final (#4571.5), are available on the Internet at http://www.hudclips.org or from the HUD Multifamily Clearinghouse at 1-800-685-8470. Also see notice H96-102 (HUD).

RENTAL HOUSING FOR THE ELDERLY (SECTION 231)

Summary:
The Section 231 program insures mortgage loans for construction or rehabilitation of rental housing for elderly persons.

Purpose:
Section 231 seeks to increase the supply of housing for elderly persons and/or persons with disabilities by insuring mortgages to finance the construction or rehabilitation of buildings that will provide rental apartments for them. The HUD insurance for a Section 231 project covers the private lender—such as a bank, a mortgage company, or a savings and loan association—against the risk of default on the mortgage loan. However, few projects have been insured under Section 231 in recent years: nonprofit sponsors have used Section 221(d)(3) instead, while for-profit developers have turned to Section 221(d)(4).

HUD insures mortgages under Section 231 to finance the construction or rehabilitation of buildings with eight or more rental units that are specifically designed for the use and occupancy of elderly persons or persons with disabilities. For nonprofit or public sponsors, the maximum loan is 100 percent of the estimated replacement cost of the building. For all other sponsors, the maximum loan is 90 percent of the replacement cost (or 90 percent of project value for rehabilitation projects). HUD charges (1) a mortgage insurance premium of 0.5 percent of the mortgage amount per year; (2) an application fee of $3 per $1,000 of the mortgage amount; and (3) an inspection fee of $5 per $1,000 of the mortgage amount. The maximum mortgage term is 40 years, or up to three-fourths of the building's remaining economic life, whichever is less.

Type of Assistance:
HUD insures mortgages under Section 231 to finance the construction or rehabilitation of buildings with eight or more rental units that are specifically designed for the use and occupancy of elderly persons or persons with disabilities. For nonprofit or public sponsors, the maximum loan is 100 percent of the estimated replacement cost of the building. For all other sponsors, the maximum loan is 90 percent of the replacement cost (or 90 percent of project value for rehabilitation projects). HUD charges (1) a mortgage insurance premium of 0.5 percent of the mortgage amount per year; (2) an application fee of $3 per $1,000 of the mortgage amount; and (3) an inspection fee of $5 per $1,000 of the mortgage amount. The maximum mortgage term is 40 years, or

up to three-fourths of the building's remaining economic life, whichever is less.

Eligible Grantees:
Eligible borrowers under Section 231 include private for-profit developers, public agencies, and nonprofit organizations.

Eligible Customers:
Elderly persons (62 or older) or persons with disabilities are eligible to occupy an apartment in a building whose mortgage is insured under the Section 231 program.

Application:
A potential sponsor must confer with the local HUD Field Office to determine the preliminary feasibility of the Section 231 project before it submits either a site appraisal and market analysis application (for a new construction project) or a feasibility application (for a rehabilitation project). After the sponsor submits this preliminary application, it also must submit an application for financing to the Field Office through a HUD-approved lender.

Technical Guidance:
This program is authorized by Section 231 of the National Housing Act, as amended, Public Law 86-372 (73 U.S.C. 654 and 12 U.S.C. 1715(V)). Program regulations are in 24 CFR 231.1 et seq. The program is administered by HUD's Office of Multifamily Housing.

For More Information:
To learn more about this program, potential sponsors should contact the local HUD Field Office, or check Section 231 - Housing for the Elderly for Project Mortgage Insurance (HUD Handbook 4570.1), which is available on the Internet at HUDClips or by mail from HUD.

SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES, INCLUDING MAINSTREAM HOUSING OPPORTUNITIES FOR PERSONS WITH DISABILITIES (SECTION 811)

Summary:
The Section 811 program provides grants to nonprofit organizations to develop and construct or rehabilitate rental housing with supportive services for very low-income persons with disabilities. The companion Mainstream Program awards funding for Section 8 rental vouchers and certificates to very low-income families whose head, spouse, or sole member is a person with a disability.

Purpose:
The Section 811 program allows persons with disabilities to live independently by increasing the supply of rental housing with supportive services and related facilities. The program also allows the sponsor to get project rental assistance, which can cover any part of the HUD-approved operating costs of the facility that is not met from project income. The program is similar to Supportive Housing for the Elderly (Section 202).

Type of Assistance:
The Section 811 program grants interest-free capital advances for nonprofit sponsors to help them finance the development of rental housing with supportive services for persons with disabilities. The capital advance can finance the construction or rehabilitation of supportive housing. The advance is interest free and does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

The program also provides project rental assistance; this covers the difference between the HUD-approved operating cost per unit and the amount the resident pays--usually 30 percent of adjusted income. A rental assistance contract can last up to 20 years and can be renewed if funds are available.

Each project must have a supportive services plan. The appropriate State or local agency reviews a potential sponsor's application to determine if the plan is well designed to meet the needs of persons with disabilities. Services may vary with the target population but could include items such as 24-hour staffing, in-unit call buttons, and planned activities.

The Mainstream program is supported by a setaside of up to 25 percent of annual appropriations. It provides which is used to support Section 8 rental assistance to help very low-income persons with disabilities live independently in the community.

Eligible Grantees:
Nonprofit organizations can apply to develop a Section 811 project if they can submit financial statements to HUD that demonstrate their ability to provide a minimum capital investment equal to 0.5 percent of the capital advance amount, up to a maximum of $10,000. Owners must maintain complete records and submit an annual financial statement to HUD, which also has the right to audit the records for compliance with HUD regulations. Any change of ownership during the 40-year period must be approved by HUD. The available program funds for a fiscal year are allocated according to factors that include the number of persons age 16 years or older with a work disability and those without a work disability.

Any public housing authority (PHA) established under State law can apply for up to 100 Section 8 rental vouchers or certificates under the Mainstream Program.

Eligible Customers:
The Section 811 program (including the Mainstream setaside) houses very low-income persons between the ages of 18 and 62 who have disabilities, including persons with physical or developmental disabilities or chronic mental illness and disabled families. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may also include an elderly person with a disability.

Eligible Activities:
The Section 811 capital advances help nonprofit sponsors finance the development of rental housing with supportive services for persons with disabilities. The capital advance can finance the construction or rehabilitation of supportive housing.

PHAs awarded Mainstream assistance have responsibilities under the Section 8 program, HUD regulations concerning nondiscrimination based on disability (24 CFR 8.28), and requirements to affirmatively further fair housing, and must:

> Upon request, help program participants access supportive services. However, the PHA may not require eligible applicants to accept supportive services as a condition of using the program.

Identify public and private funding sources to assist participants in paying for modifications needed as a reasonable accommodation for their disabilities.

Not deny rental assistance or restrict other housing opportunities to persons who qualify under this program, but who choose not to participate.

Provide Section 8 search assistance to qualified applicants.

Application:
A Notice of Fund Availability (NOFA) is published in the Federal Register each fiscal year announcing the allocation of Section 811 funds to HUD Field Offices. For a schedule of NOFAs, see the HUD homepage. An applicant must respond to this notice (or to a notice from the local Field Office) by submitting a Request for Fund Reservation (HUD Form 92016-CA). A State agency also reviews the supportive services plan (see above). Those selected for funding must meet basic program requirements, including nonprofit status, financial commitment, and experience in housing or related service activities.

For the Mainstream Program Housing Agencies must complete and submit form HUD-52515, Funding Application, for the Section 8 rental voucher and certificate program (dated January 1996). Copies of this form may be obtained from the HUD Field Office or may be downloaded from the HUD home page on the Internet at http://www.hud.gov. The HUD NOFA explains other information needed to apply for the Mainstream Program.

Range and Average of Financial Assistance:
In FY 1998, the average award was $821,070; the smallest, $213,000; the largest $1,650,200. In FY 1998, HUD funded 1,650 units. The Department anticipates a similar level of funding in FY 99.

Technical Guidance:
This development program is authorized by Section 811, National Affordable Housing Act. Program regulations are in 24 CFR Part 890. The program is administered by the New Products Division of HUD's Office of Multifamily Housing Development.

Legislative authority for Mainstream funding is found in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (P. L. 105-65, approved October 27, 1997), which states that the Secretary may designate up to 25 percent of the amounts earmarked for Section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013) for tenant-based assistance, as authorized under that section. The program is administered by the Office of Public and Assisted Housing Delivery, telephone (202) 708-0477. For hearing- and speech-impaired persons, this number may be accessed by TTY by calling the Federal Information Relay Service at 1-800-877-8339 (toll-free).

For More Information:
To learn more about the Section 811 program, see Section 811 Supportive Housing for Persons with Disabilities (HUD Handbook 4571.2), which is available on the Internet at http://www.hudclips.org. Potential sponsors should contact the local HUD Field Office.

For details about the Mainstream Program, see the Federal Register FR-4224-N-01, entitled "NOFA Mainstream Housing Opportunities for Persons with Disabilities (Mainstream Program)".

APPENDIX 14

ILLINOIS HOUSING DEVELOPMENT AUTHORITY (IHDA) RESOURCES TAKEN FROM IHDA

ILLINOIS AFFORDABLE HOUSING TRUST FUND

Created by the Illinois Legislature in 1989, the Illinois Affordable Housing Trust Fund assists in the provision of affordable, decent, safe and sanitary housing for low- and very low-income households. The source of Trust Fund revenue is half of the state real estate transfer fee. This provides approximately $20 million to $22 million each year. The maximum award from the Trust Fund for a project is typically $750,000. Sponsors are generally limited to applying for up to $1.5 million in any 12-month period.

Eligible applicants and projects

Not-for-profits and for-profit corporations as well as units of local government may seek Trust Fund dollars. Individual citizens are not eligible for Trust Fund financing.

Projects eligible for consideration include, but are not limited to:

- Acquisition and rehabilitation of existing housing
- New construction (single family and multifamily)
- Adaptive reuse of non-residential buildings
- Special housing needs for the:
  - mentally ill
  - developmentally disabled
  - elderly
  - physically disabled
  - single-parent families
- Technical Assistance (for non-profit organizations only)

Rates and terms of Trust Fund financing

The Trust Fund makes loans available at less than the prevailing commercial rate to all applicants. Grants are available to not-for-profit applicants when the project demonstrates a strong very low-income orientation and is not feasible without Trust Fund assistance.

Basic application requirements

Following is a list of general guidelines for the application process. Prospective applicants should consult the Illinois Affordable Housing Trust Fund Program Guidelines for a more comprehensive explanation.

1. The application fee must be paid.
2. The application must be complete.
3. The sponsor of the project must be an eligible sponsor.
4. The project must be financially feasible.
5. The application must contain evidence of site control.

6. The application must contain evidence that the sponsor has applied for the other funding sources required to complete the project.
7. The development team must have the capacity to complete the project.
8. The project must have local support.

Types of projects selected to receive funding

Projects which have met the basic requirements will be further evaluated to determine that they meet the Affordable Housing Trust Fund funding criteria. These criteria include, in order of importance:

1.Readiness to Proceed: Projects which have appropriate zoning, local approvals, commitments from their other financing sources, evidence of equity, prepared plans and specifications and meet the financial underwriting standards (Section 4) will be given priority.

2.Percentage of Affordable Units: Priority will be given to projects which provide a greater percentage of affordable units for very low-income households.

3.Community Impact: Projects that are part of a larger neighborhood revitalization plan will be given priority.

4.Special Needs Housing: Priority will be given to projects which address the housing needs of a targeted population. Examples of these projects might include, but are not limited to:

- projects which address the needs of the working homeless and/or prevent homelessness;
- projects which help the chronically mentally ill, developmentally and physically disabled, single-parent families and the elderly in need of supportive services;
- projects which provide housing for families (3- and 4-bedroom units); and
- projects which promote homeownership

5.Mixed-income Developments: Applications proposing mixed-income developments (with a combination of low, and/or very low and market units) are encouraged under the Trust Fund guidelines.

6.Rent Impact: Priority will be given to projects which have rents that are below the market for an area.

7.Affordability Periods: The affordability period is the length of time the units will remain affordable to low- and very-low income households.

8.Leveraging of other funds: projects which propose the leveraging of ther sources of funds will be given a priority.

Deadlines for submitting Trust Fund Applications

The Trust Fund reviews applications during three rounds each year. Applications are due by:

February 1, 2000 July 10, 2000 November 1, 2000

U.S. Census data for the state determines the resource distribution targets for the Affordable Housing Trust Fund. The approximate distribution target, assuming adequate demand, is:

64% of available funding: Metropolitan Chicago counties
18% of available funding: Other metropolitan counties
18% of available funding: Non-metropolitan counties

For more information, call (312) 836-5318.

OVERVIEW OF IHDA MULTIFAMILY PROGRAMS

When IHDA was created in 1967, the sole method of paying for multifamily (apartment) housing for low- and moderate-income Illinois citizens was bond financing. Under this approach, the Authority issues taxable and tax-exempt bonds to raise funds for the construction and permanent financing of multifamily rental developments that are privately owned and managed.

Another source of multifamily funds is now available through the IHDA/HUD Risk-Sharing Program. Essentially, HUD gives the Authority greater flexibility to use its own underwriting standards in exchange for IHDA's agreement to share costs in the highly unlikely event of a project default. These first mortgage loans are financed either through the issuance of bonds (taxable and tax-exempt) or the sale of mortgage participation interests.

Developer advantages are low-interest loans and "one-stop" shopping. (IHDA also considers rehabilitation projects and loan refinancings on a case-by-case basis.)

Apartment styles permitted

Multifamily developments financed by IHDA may be townhouses; low-, mid- or high-rise buildings, or some combination thereof.

Eligible applicants

For-profit, non-profit and government entities.

Financing that can be obtained

Under the IHDA/HUD Risk-Sharing Program, loans for mortgage participation interests must be at least $2 million, and the minimum bond-financed loan is $5 million.

General loan terms

Multifamily loans fully amortize by the end of the loan's terms (25 or 40 years). Depending on the form of credit enhancement and the type of development. Those with mortgage participation financing have fixed interest rates; bond-financed loans can carry either fixed or variable-rate interest.

Interest rates on Multifamily Program loans

Typically, interest rates on tax-exempt, bond-financed loans are approximately .20% below the 30-year Treasuries. Interest rates, whether fixed or variable, are determined by the prevailing market at the time of closing. Interest rate protection is available for an additional fee. For mortgage participation-financed loans, a 30-45 day interest rate lock is available at prevailing rates, once HUD issues a firm approval letter.

Debt coverage on Multifamily Program loans

For loans used to finance new construction, the debt coverage ratio is generally 1.15:1. In special circumstances and in the Authority's sole discretion, the ratio may be lower, but not less than 1.10:1. For loans used to provide refinancing and/or rehabilitation, the debt coverage ratio is generally 1.25:1 depending upon property characteristics.

Income requirements for the low- and moderate-income tenants served by these developments.

A minimum of 20 percent of units must be set aside for households earning at or below 50 percent of the area median income, or a minimum of 40 percent of units must be reserved for households earning at or below 60 percent of area median income. Tenant income restrictions remain in effect for the term of the loan.

Pre-payment lockouts

In the case of mortgage participation loans, loans may not be prepaid for a period of between eight and 15 years, depending on market interest rates at closing. For multifamily bonds that have fixed rates, loans can't be pre-paid for a minimum of 10 years.

IMPORTANT: Before a developer submits a Multifamily Programs application, she or he must have physical control of the proposed site, ensure their proposals comply with all local zoning and other requirements and develop a detailed project plan.

Timeframe

Depending upon the type of credit enhancement, loan approval by the Loan Committee is made anywhere from three to six months after complete applications are submitted.

Distributions to the owner

A return on equity will be established by IHDA at 200 percent of the yield on a 30-year GNMA mortgage certificate.

Developer fees

Developer fees usually range between 10 percent and 15 percent of a development's total cost.

Regulatory agreements

To ensure compliance with IHDA affordable housing policy on occupancy and other standards, loans are subject to regulatory agreements. Any requirements or restrictions imposed by other loans, subsidies or grants must also be contained in the regulatory agreements.

Required Site/Market studies

After the developer conveys $8,000 to IHDA, IHDA orders a market study. Upon the execution of a release, IHDA will provide a copy of the market study to the developer.

Cost of submitting an application

In addition to a market study cost of $8,000, a $1,000 non-refundable application fee is charged. At closing, an origination fee of 2 percent must be paid to IHDA (in the case of multifamily bonds, certain issuance costs will also be covered by the developer) and legal fees of $17,000. At the Feasibility Letter stage, third-party studies cost $22,000.

Annual fees

For Risk-Sharing, ½ percent mortgage insurance premium, payable in advance, and 1/4 percent servicing fee on the original loan amount. For multifamily bonds, ½ percent to 7/8 percent credit enhancement fee, plus 1/4 percent administrative fee on the original loan amount. All annual fees are escrowed at closing for the construction period.

Tenants selection

All IHDA developments must comply with tenant selection plans to ensure compliance with fair housing laws and proper screening of residents.

Working with local leaders and residents when projects are first proposed

Local elected officials are notified when IHDA developments are under consideration in their areas. This helps foster discussion at the local level among developers, government leaders and the general public about any impact the development may have on schools, neighborhoods, infrastructure, etc.

Required architectural drawings

Development plans and specifications must be submitted to and be reviewed by IHDA staff well-versed in multifamily architectural drawings.

Inspections conducted during construction

IHDA's construction staff reviews progress at the site and plays a role in the approval of work completed and subsequent payouts for completed jobs.

*****All loan terms and conditions described here are subject to change without notice.***

LOW-INCOME HOUSING TAX CREDITS

Congress created the Housing Credit because building and rehabilitating apartments costs too much in the private market to rent at rates low-income families can afford. The Housing Credit makes apartments affordable for working people with below-median incomes.

Housing Credits rely on developers, financial firms and other private sector players. These experts don't invest in affordable housing unless market conditions allow developments to prosper. The Housing Credit is an indirect federal resource, not a direct drain on the federal treasury. The program is run by the Internal Revenue Service, and failure to adhere strictly to the law results in stiff penalties. Finally, Housing Credit tenants are typically working taxpayers who pay their entire rent.

Housing Credit investors get a 10-year federal income tax benefit in exchange for immediate cash infusions for new construction and restoration projects. Usually used in conjunction with developer equity, bank loans and other funding sources, the Housing Credit leverages $7.2 billion in investments nationwide each year to produce 75,000 reasonably priced apartments for low-income families and the elderly.

Advantage and Benefits of Housing Credit rental developments

Housing Credit apartments help stabilize neighborhoods by improving housing quality and supply. They rent up quickly, because the need for them is so much greater than can be met under the present Housing Credit volume limit —$1.25 times a state's population. Credit demand outstrips supply by a ratio of 3-to-1 or higher.

Housing Credit apartments often attract young people just starting out on their career paths, seniors who can no longer maintain a house but want to stay in their home towns and workers in comparatively low-paying jobs. Housing Credit properties are privately owned by developers who run them at a profit. They are not owned by any unit of government. Housing Credit developments compete with market-rate properties. They are indistinguishable from surrounding market apartments and often offer amenities like clubhouses, tennis courts and playgrounds.

Housing Credit tenants pay their entire rent, made affordable through tax incentives for investors. Residents get no direct subsidy, but instead benefit from lower rents made possible by the program. People seeking apartments apply to private, on-site managers — not through a government agency.

Housing Credit allocation in Illinois

As the state's primary affordable housing finance agency, IHDA administers Illinois' share of the annual Housing Credit allowed by Congress. (Chicago gets the city's portion of credits and administers its own, separate program.) Under the "$1.25 multiplied by state population" federal formula, Illinois gets about $11.5 million in Housing Credits each year. IHDA allocates Housing Credits twice a year. Application deadlines are as follows:

January 31, 2000 April 17, 2000

Site selection

Sites are selected based on local housing needs and zoning conditions, in cooperation with local officials and residents. The entire process is driven by market economics.

Getting the best deals done

IHDA has developed a sophisticated ranking system to ensure the best Housing Credit applications get funded. The ranking system is reviewed and refined each year and made part of an always-evolving Qualified Allocation Plan (QAP) that developers must follow. IHDA's QAP contains basic mandatory requirements every applicant must meet — such as site control and strict compliance with state or local housing plans. The QAP also details competitive
categories in which points are awarded.

Examples of the competitive criteria:

They include solid commitments for project financing, use of experienced affordable housing development teams and a preference for Illinois-based general contractors. Solid community support for and understanding of Housing Credit projects is essential to their success. Citizens must be assured new or rehabilitated apartment buildings are attractive, blend well with the overall surroundings, are structurally sound and will be maintained physically and financially far into the future.

Unique features of IHDA's Housing Credit program

To give certain types of affordable housing advocates a fair shot at limited Housing Credits, IHDA has created four special "set-aside" categories: Non-Profit, Special Needs, Preservation and Small Projects.

Meeting local needs with Federal resources

The delegation of authority to states to administer a major federal tax program (in this case, housing) is unprecedented. In making it, Congress recognized the value of decentralized decison-making concerning each state's low-income housing needs. But it also imposed a minimum, uniform set of procedures each state must follow in determining developments to which they grant credits.

To put these principles into practice, all state HFAs work closely with the National Council of
State Housing Agencies (NCSHA), the Washington-based association that advocates for low-income housing resources on behalf of the nation's state housing finance agencies. NCSHA periodically pulls together representatives across the entire affordable housing spectrum to develop "recommended practices" for Housing Credits. The last effort resulted in new minimum standards adopted for national use effective October 10, 1998.

For further information, call IHDA at 312-836-5355.

First-Time Homebuyer Programs

Buying a first home is an enormous financial commitment. It is an exciting experience, yet it also can be intimidating. The Illinois Housing Development Authority (IHDA) has developed two programs to assist the first-time buyer in at least overcoming some of the financial issues that arise in purchasing a home. They are the "First-Time Homebuyer Program" (MRB) and the "Mortgage Credit Certificate Program" (MCC). With the MRB Program, IHDA offers 30 year fixed-rate mortgages at below market interest rates. With the MCC Program, IHDA offers a tax credit that can assist homebuyers in qualifying for a mortgage by reducing one's federal income taxes. Anyone interested in either of these programs should follow the directions below.

Step 1

Check the purchase price and income limits applicable to your county and family size to determine if you fall within these limits.

LAKE COUNTY

Maximum Household Income Limits

Household of 1 or 2:	$76,560
Household of 3 or More:	$89,320

Maximum Purchase Price Limits

New Construction	1 Unit:	$228,260
	2 Unit:	$257,030
Existing Construction	1 Unit:	$219,460
	2 Unit:	$247,110
	3 Unit:	$299,120
	4 Unit:	$347,840

Step 2

Read the eligibility requirements that follow for the MRB Program and the MCC Program to determine which program best meets your specific needs. Then select the program of your choice. (These programs are mutually exclusive and may not be combined).

Step 3

If you are interested in exploring further First-Time Homebuyer Program opportunities, consult IHDA's listing of participating lenders, sorted by county at http://www.ihda.org/

Illinois First-Time Homebuyer Program (MRB)

Call any participating lender for current rates.

Eligibility Requirements

If you are interested in purchasing an existing Illinois home, it must fall within the purchase price limits specified within this packet. After you have signed a sales contract (see final criteria below), contact one of the participating lenders that serves the county where the home is located and request one of the mortgage options.
IHDA offers several different loan rates and point structures. Some of the options also include up to $1,000 in closing cost assistance. IHDA's loan also offers an automatic, no cost, rate lock, so you don't have to worry about your interest rate changing while your loan is being processed by the lender

You must be a first-time homebuyer. This means you have not owned a home as a principal residence in the preceding three years. Present ownership of rental property, vacation or a time-share does not disqualify you. (You will be asked to supply signed copies of your last three years' federal income tax returns to verify eligibility.)

Your annual gross household income (from all sources and all individuals who will be residing in the property) may not exceed the maximum limits for the county in which the residence is located. These limits vary by number of persons in the household and are listed within this packet.
Your income must be sufficient to support a mortgage payment. To determine this, apply the following rules of thumb. First, the monthly PITI should not exceed 28% of your monthly gross income. Monthly PITI is the payment toward Principal and Interest on the loan and monthly escrow payments which accumulate for your payment of Taxes and Insurance. Second, the sum of your monthly house payment, 5% of all credit card balances, and all monthly installment obligations should not exceed 36% of your monthly gross income.

You must have an acceptable credit history. A credit check should show that you have paid charge accounts, auto or other installment loans, student loans, etc., in a timely manner.

The home must become your principal residence within 60 days of closing.

Eligible Homes and Mortgage Terms

A new home or an existing single-family house, townhouse, condominium, or one unit of a duplex.

An existing residential structure of 2 to 4 units that has been occupied as a residence for at least five years preceding the loan application, and which you intend to live in (one of the units) after closing.

Property must meet area standards and code and have an appraised value at least equal to the purchase price.The purchase price must not exceed the maximum price limits listed within this information packet.

Minimum down payment for qualified buyers is 5% of the purchase price. This amount cannot be a loan or gift but must be from your own funds. Gifts are allowed above the 5% — a larger down payment will lower your mortgage payment. Private mortgage insurance (PMI) is required for loans with down payments less than 20%. Insurance premiums and taxes are added to monthly mortgage payments. Individual circumstances (i.e., job or credit history) may require a larger down payment. Consult a real estate agent and lender.

You will be required to pay a loan application fee of approximately $350 when you apply. This non-refundable fee will, in most cases, cover the cost to the lender for the appraisal and credit report (confirm with your lender).
You will be charged closing costs, which must be paid from your own funds, unless you choose one of the closing cost assistance rate options. Closing costs may not be a gift or loan. The lender will provide you with an estimate of these charges.

All loans are non-assumable.

The annual percentage rate (APR) will vary depending on the loan-to-value ratio and the time of closing within a given month. The exact APR on each loan will be provided by your lender prior to closing.

The interest rate is fixed for the life of the loan, which is a maximum of 30 years.

This provides general information about the program.
It contains only part of the loan review process.
Meeting these criteria doesn't guarantee loan approval.

Mortgage Credit Certificate Program (MCC)

Right now, it's possible to purchase more home for your money with the Mortgage Credit Certificate (MCC) Program, if your income and the purchase price of your home fall within specified limits. This program gives a first-time homebuyer more home purchasing power by providing a significant federal tax credit, increasing after-tax income up to $2,000 a year for the life of the mortgage.

How to reap this tax savings?

You may either file a revised W-4 withholding to receive the benefits in your monthly paycheck, or wait until filing your federal income tax to receive the credit in the form of a tax refund or lower taxes. Either way, you can apply more of your annual income to mortgage payments and less to federal income taxes. However, it is not required that you use this refund toward the mortgage. What becomes of the savings is your choice.

What's different at tax time?

You'll receive your Mortgage Credit Certificate from IHDA shortly after closing. When you file your taxes, all you need to do is file one additional very simple form along with a copy of your certificate.

Who is eligible?

The following requirements must be met to qualify for an MCC:

1. You must be buying your first home, or must not have owned a residence in the past three years.
2. Your household income must fall within the specified limits listed within this booklet.
3. The mortgage loan must be a new loan and not a refinancing.
4. The home must be a single-family, detached residence, a townhome, or a condominium.

APPENDIX 15

FEDERAL HOME LOAN BANK BOARD
AFFORDABLE HOUSING PROGRAM

Federal Home Loan Bank Board Affordable Housing Program
The Affordable Housing Program (AHP) provides subsidies to member institutions to assist in the creation and preservation of housing for lower income families and individuals. The Chicago Bank contributes a minimum of 10% of its previous year's net income to the AHP. In 2000, the allocation is $12.4 million, with $10.6 million available for the competitive program and $1.8 million available for the homeownership set-aside. Financial institutions in Illinois and Wisconsin that belong to or have pending membership applications with the Chicago Bank may apply for AHP funds twice a year during the district-wide competition. The subsidy is provided as a direct payment through the member to reduce the cost of the housing, or in special circumstances, as a subsidized loan.

The AHP subsidy must be used to finance the purchase, construction or rehabilitation of owner-occupied or rental housing meeting these criteria:

- Home ownership programs must serve households at or below 80% of area median income.
- At least 20% of the units in rental programs must serve households or individuals with incomes at or below 50% of area median, with rents that are affordable to very low income households.

The deadlines for the two rounds of AHP competition are April 1 and October 1. Applicants should refer to the Instructions and Scoring Guidelines before completing the AHP Application. Non-profit organizations and others interested in sponsoring applications for funds should contact a Chicago Bank member institution. Community Investment staff can assist in identifying an institution to partner with on a project.

AHP Homeownership Set-Aside
Each year the Bank sets aside a portion of its AHP funds for a homeownership program that is removed from the competitive AHP process. In 2000, $1.8 million has been set-aside for Downpayment Plus, a down payment and closing cost grant program available to any member financial institution. Participating members provide the grant when they provide first mortgage financing to income eligible borrowers. Grants of up to $3,000 are available to borrowers with household incomes of 80% or less of area median income. The funds are administered on a statewide basis by two non-profit organizations. Members who want to participate in the program should contact the program sponsor for the state in which they are headquartered.

In Illinois: Illinois League of Financial Institutions **1-800-237-1936.**

APPENDIX 16

HIGHLAND PARK COMMUNITY MEETING SUMMARY

The Highland Park Housing Commission and the UIC research team conducted a community meeting on November 18, 1999 in Highland Park. The purpose of the meeting was to inform the public of the research findings to date, as well as get their reactions to these findings and their ideas and opinions on housing, particularly affordable housing, in Highland Park. The meeting was successful in achieving its goals of receiving community input for the planning process. The meeting was well attended, with about 75 community members of diverse interests in attendance.

The meeting began with a 15-minute presentation of the data, which is contained in Section One of the report. Topics covered included demographic information on both the people who live in Highland Park and their incomes, as well as people who work in Highland Park but cannot afford to live there, information on the housing stock in Highland Park, and the mismatch between demand for affordable housing and supply. At the end of the presentation, a list of affordable housing strategies was explained to the community members. With this information as a starting point, the meeting broke out into smaller groups, which were led by members of the Housing Commission. UIC team members took notes at each group. Within each of the groups, community members were given the opportunity to discuss each of the affordable housing strategies, their viability for Highland Park, personal concerns with affordable housing and the lack thereof, and what, if anything, they would like to see done about the affordable housing shortage in Highland Park.

Members of the Housing Commission who were the group leaders then gave summary comments for each group. All six groups did identify a need for more affordable housing in Highland Park. While there were differences among each of the groups, some opinions were repeated in most of the groups:

- Highland Park is losing its diversity due to the price of housing.
- Many of the apartments that were torn down in the nineties were affordable.
- The City should work to find a solution to the affordable housing problem, especially for people that work in the City, younger families that grew up in Highland Park and cannot afford to move back and seniors.
- The best strategy for more affordable housing should include a way to preserve the existing housing stock, and therefore character, of Highland Park.
- Fort Sheridan would be one of the best opportunities to create new affordable housing in Highland Park.
- Land Trust, Trust Fund and Inclusionary Zoning were the most popular affordable housing strategies.

Attachment 2

Housing Trust Fund Ordinance

Sec. 33.1133 Housing Trust Fund

(A) Definitions.

The following words, terms, and phrases, when used in this Section, have the meanings ascribed to them in this Subsection, except where the context clearly indicates a different meaning:

AFFORDABLE HOUSING: Decent, safe, sanitary, and appropriate housing that Low- and Moderate-Income Households can own or rent without having to devote more than approximately 30 percent of their gross income for monthly Housing Expenses.

AFFORDABLE HOUSING PLAN: The "Affordable Housing Needs and Implementation Plan adopted by the City Council on January 22, 2001, as part of the City of Highland Park Master Plan.

COMMUNITY LAND TRUST: The community land trust that may be established for the purposes set forth in the Organizational Framework Recommendations adopted by the Housing Commission on October 24, 2001

ELIGIBLE ACTIVITIES: The housing activities set forth in Paragraph F(3) of this Section for which the Housing Trust Fund may provide financial support.

ELIGIBLE APPLICANTS: Applicants that satisfy eligibility requirements to receive Housing Trust Fund awards, as set forth in Paragraph F(2) of this Section.

HOUSING EXPENSES: The following types of housing expenses: (1) rent and utilities for rental housing; and (2) debt service (principal and interest), property taxes, and home insurance for home ownership.

HOUSING TRUST FUND: The housing trust fund established by this Section with the central purpose to provide financial resources to address the Affordable Housing needs of individuals and families of Low- and Moderate-Income Households who live or work in the City.

LOW-INCOME HOUSEHOLDS: Households that have incomes that do not exceed 80 percent of the median income for the Chicago area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size.

MODERATE-INCOME HOUSEHOLDS: Households that have incomes that do not exceed 120 percent of the median income for the Chicago area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size, or such higher income limit as may be established for a local, county, state, or federal housing program. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(B) Historical Background and Justification.

The housing goals of the City's Master Plan emphasize the City's commitment to cultural and economic diversity, diversity of housing stock and costs, and the availability of affordable housing in neighborhoods throughout the community. The diversity of the City's housing stock has declined as a result of increasing property values and housing costs and a reduction in the availability of affordable housing. Demolition of certain existing structures and developments has also led to a reduction in the diversity of the City's housing stock and affordable housing opportunities and subsequent redevelopment has in many cases contributed to property value increases that further the difficulty of providing affordable housing in the City.

Due to these factors, among others, the City of Highland Park has experienced an increase in housing values, but a decrease in the supply of Affordable Housing and income diversity. In response to these developments, on January 22, 2001, the City Council adopted the Affordable Housing Plan as an element of the City of Highland Park Master Plan. One of the primary recommendations of this Affordable Housing Plan is for the City to establish a Housing Trust Fund. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(C) Housing Trust Fund Established.

(1) Creations; Management and Administration. There is hereby established the Housing Trust Fund, to be held as a separate fund within the City, for the benefit of the Housing Commission. The City, by and through its Director of Finance, shall be responsible for the day-to-day investment and fiscal maintenance and management of the Housing Trust Fund. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by the City for other similarly held funds. Except for disbursements and other action taken as part of the day-to-day fiscal maintenance and management of the Housing Trust Fund, no disbursements of the Housing Trust fund may be made except by the Director of Finance, or his designee, upon the written direction of the Housing Commission, by resolution duly adopted. (Ord. 18-05, J. 31, p. 49, passed 4/11/05; Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(2) Purpose. The purposes of the Housing Trust Fund are to provide financial resources to address the Affordable Housing needs of individuals and families of Low- and Moderate-Income Households who live or work in the City by promoting, preserving, and producing long-term Affordable Housing; provide housing-related services to Low- and Moderate-Income Households, and provide support for not-for-profit organizations that actively address the Affordable Housing needs of Low- and Moderate-Income Households. The Housing Trust Fund will provide financial support for a wide variety of Eligible Activities that serve Low- and Moderate-Income Households, including, without limitation, (a) persons employed in the City but financially unable to live in the City; (b) seniors on fixed incomes; (c) single-parent families; (d) young households; and (e) persons with disabilities who require accessible Affordable Housing. (Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(3) Distribution and Use of Housing Trust Fund. The Housing Commission shall be solely responsible for the distribution of the Housing Trust Fund resources and funds in accordance with the requirements of this Section. Distribution of

funds from the Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Housing Trust Fund. Any Housing Trust Fund money unused at the end of any year shall remain in the Housing Trust Fund for future Eligible Activities, pursuant to the requirements of this Section. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(D) Housing Trust Fund Operations.

The Housing Commission shall be solely responsible for the operation of the Housing Trust Fund, including, without limitation, the following:

(1) establishing annually Housing Trust Fund goals, and reporting and presenting those goals to the City Council;

(2) establishing policies, funding priorities, Housing Trust Fund program requirements, procedures for disbursing Housing Trust Fund awards, and an annual budget to be reported to the City Council prior to the beginning of each fiscal year of the Housing Trust Fund;

(3) approving Housing Trust Fund awards for Eligible Activities;

(4) monitoring Eligible Activities funded by the Housing Trust Fund;

(5) evaluating Housing Trust Fund activities; and

(6) reporting no less than annually to the City Council on the expenditures, accomplishments, and activities of the Housing Trust Fund. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(E) Eligibility Requirements.

(1) Purpose of Eligible Activity. Each Eligible Applicant shall demonstrate that the requested Eligible Activity will advance and support the purpose of the Housing Trust Fund, as set forth in this Section. (Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(2) Eligible Applicants. Developers, not-for-profit organizations, housing owners/operators, and units of government shall be Eligible Applicants for Housing Trust Fund resources. The Housing Trust Fund shall seek proposals from Eligible Applicants and make awards for Eligible Activities based on the priorities set forth in Subsection (E)(4) and on the eligibility guidelines, program requirements, and process established and maintained by the Housing Commission. The Housing Commission shall develop and issue eligibility guidelines, program requirements, and applications forms for Housing Trust Fund grants and loans. Eligible Applicants may apply to the Housing Commission for Housing Trust Fund awards for Eligible Activities. (Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(3) Types of Eligible Activities. The following housing-related activities are the types of activities that may receive Housing Trust Fund resources:

(a) Housing production, including, without limitation, new construction, rehabilitation, and adaptive re-use.

(b) Acquisition, including, without limitation, vacant land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or part for residential use.

(c) Rental assistance.

(d) Home ownership assistance.

(e) Preservation of existing housing.

(f) Weatherization.

(g) Emergency repairs.

(h) Housing-related support services, including home ownership education and financial counseling.

(i) Capacity grants for not-for-profit organizations that are actively engaged in addressing the Affordable Housing needs of Low- and Moderate-Income Households.

(j) Any other activity that the Housing Commission determines would address the City's Affordable Housing needs.

(4) Priorities For Trust Fund Awards.

Among proposals for Eligible Activities that otherwise meet established program requirements and eligibility criteria, priority shall be given (a) to applications submitted by the Community Land Trust, (b) to applications that provide the longest term of affordability of Affordable Housing, and (c) to applications that provide housing to serve the needs of households with the lowest household incomes. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(F) Review and Approval of Applications.

All complete applications for Housing Trust Fund awards shall be submitted to the Housing Commission, which shall make the final decision to approve or deny all applications for funding by the Housing Trust Fund. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02; Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(G) Conditions.

As a condition to any Housing Trust Fund award for any Eligible Activity, the Eligible Applicant shall first, among other applicable requirements as established from time-to-time by the Housing Commission, execute and record such agreements, conditions, and restrictive covenants, or other similar instruments, as shall be required by the Housing

Commission ("Conditions"). Among other requirements, the Conditions may bind the Eligible Applicant and the property, if applicable, to the requirements of this Section and provide that all awards shall be used in strict compliance with the requirements of the Housing Commission and the Conditions. The Conditions may also include a requirement that if the property or development is no longer being used for Affordable Housing pursuant to the requirements of the specific award, the Eligible Applicant or successor owner of the property or development may be required to reimburse the Housing Trust Fund for up to 100 percent of the award, plus applicable interest. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

(H) Available Funds.

The Housing Trust Fund is authorized to accept and utilize funds, property, and other resources from all proper and lawful public and private sources, including, without limitation, the funds dedicated to the Housing Trust Fund from the imposition of the demolition permit fee pursuant to Section 170.003.1(11)(108.2-12) of the City Code, and from the affordable housing demolition tax pursuant to Subsection 170.040(I) of the City Code. The City Council may make additional funds available, as it deems necessary and appropriate. The Housing Commission may provide additional financial resources to the Housing Trust Fund from any available, proper and lawful Housing Commission fund or source including, without limitation, transfers from the Frank B. Peers Housing Association, a not-for-profit subsidiary of the Housing Commission, to the Housing Trust Fund. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02; Ord. 38-06, J. 32, p. 133-135, passed 4/24/06; Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(I) Staff.

The City, on behalf of, and in consultation with, the Housing Commission, and pursuant to the City's standard employment policies, may employ such personnel as are approved by the Housing Commission and as are necessary to assist the Housing Commission in the administration of the Housing Trust Fund, including, without limitation, the following: (1) to administer the application and award process; (2) to identify opportunities for providing Affordable Housing; (3) to identify funding sources and possible partners for providing Affordable Housing; and (4) to educate the community, including City residents and employers, about the City's Affordable Housing initiatives. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02; Ord. 72-07, J. 33, p. 509-591, passed 9/24/07)

(Sections 33.1102 through 33.1106 amended in toto; Sections 33.1107 and 33.1108 deleted, and all succeeding Sections shall be appropriately renumbered in succession by Ord. 52-01, J. 27, p. 233-270, passed 8/27/01; Section 33.1133 added by Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

Attachment 3

Brochure, Housing Trust Fund

HIGHLAND PARK'S AFFORDABLE HOUSING TRUST FUND

1. <u>What is the Affordable Housing Trust Fund (HTF)</u>?

The HTF is an affordable housing funding program that the City of Highland Park created and operates. The City Council established it by ordinance in May 2002 to provide financial support for affordable housing activities that address the needs of low- and moderate-income individuals and families who live or work in Highland Park.

2. <u>Why did the City establish the HTF</u>?

Creating the HTF was one of the key recommendations in the City's Affordable Housing Plan, which was adopted as an element of the City's updated comprehensive Master Plan in January 2001. The HTF and other recommendations of the Affordable Housing Plan are state-of-the-art strategies designed to complement each other and to facilitate the City's ability to implement its housing goals and its policy of promoting the economic diversity of its population by maintaining and promoting a variety of housing types and prices in neighborhoods throughout the community.

The Affordable Housing Plan was developed in response to resident concerns that housing market trends – including rising land and housing costs and a loss of affordable units over the years – are threatening Highland Park's diversity, changing neighborhood character, and severely limiting housing options for a broad range of individuals and families currently living and working in the community. The limited availability of modestly-priced housing impacts the ability of local employers – including the City, school districts, other governmental agencies, health care and other service providers, and downtown businesses – to attract and retain employees. In addition, the large number of workers commuting in and out of Highland Park results in increased traffic congestion.

3. <u>How will the HTF benefit Highland Park</u>?

As a source of funding for affordable housing activities in the community, the HTF provides critical "gap" financing essential to starting or completing affordable housing development. It also is an important catalyst to leverage funding from other public and private sources, thereby maximizing the City's investment and making it possible to provide housing at affordable price points in Highland Park. By focusing on activities that ensure long-term affordability, the HTF maintains the value of its investment for the benefit of the community over time.

4. <u>How is the HTF funded</u>?

The HTF is authorized to accept funds, property, and other resources from public and private sources. The Housing Commission contributed $1 million in seed money for the HTF from a one-time reserve created through the refinancing of a building that the Commission owns. The City provides on-going funding with revenue derived from demolition permit fees and from a local tax on residential demolitions - $10,000 for singlefamily homes or, for multi-family buildings, either $10,000 or $3,000 per unit, whichever is greater. Two-thirds of the affordable housing demolition tax goes into the HTF. The City's Inclusionary Housing Ordinance provides that developer payments in lieu of providing actual units also are designated for the HTF.

5. <u>How is the HTF administered</u>?

The Housing Commission is responsible for the administration and operation of the HTF and has sole responsibility for approving the distribution of HTF resources. The City's Director of Fiscal and

Administrative Services is responsible for the day-to-day fiscal management of the HTF.

6. <u>What types of activities will the HTF fund</u>?

The HTF primarily funds affordable housing development activities. Development activities can include new construction of sale or rental housing, rehabilitation of existing housing for sale or rent, new construction or rehabilitation of mixed-use buildings, acquisition of property, and adaptive reuse. Housing may be either single-family or multi-family. In addition, the HTF provides operating support to Community Partners for Affordable Housing (formerly known as the Highland Park Illinois Community Land Trust), an independent, not-for-profit organization, created to own land for the benefit of the community and to provide and preserve permanently affordable housing on such land. Establishing a community land trust was another key recommendation of the City's Affordable Housing Plan. Additional activities include funding emergency housing assistance and a zero-interest loan program to augment employer-assisted housing programs in Highland Park.

7. <u>Who will live in the affordable units developed with HTF funding</u>?

Priority for units is given to individuals and families who live or work in Highland Park. Income limits are based on Chicago area median income (AMI), as established annually by the Department of Housing and Urban Development and adjusted for household size. Affordability requirements have been established to ensure that HTF units will benefit a range of incomes, with emphasis on those whose incomes do not exceed 80% AMI.

The following table below shows Chicago AMI levels by household size, effective as of July 1, 2019:

2019 Gross Income by Percent Area Median Income (AMI) & Expected Occupancy

	% of AMI	Expected Occupancy (# of people in Household) 1	2	3	4	5	6	7	8
Gross Household Income	45%	$28,080	$32,085	$36,090	$40,095	$43,335	$46,530	$49,725	$52,965
	50%	$31,200	$35,650	$40,100	$44,550	$48,150	$51,700	$55,250	$58,850
	65%	$40,560	$46,345	$52,130	$57,915	$62,595	$67,210	$71,825	$76,505
	80%	$49,950	$57,050	$64,200	$71,300	$77,050	$82,750	$88,450	$94,150
	100%	$62,400	$71,300	$80,200	$89,100	$96,300	$103,400	$110,500	$117,700
	115%	$71,760	$81,995	$92,230	$102,465	$110,745	$118,910	$127,075	$135,355
	120%	$74,880	$85,560	$96,240	$106,920	$115,560	$124,080	$132,600	$141,240

Source: U.S. Dept. of Housing and Urban Development FY-2019 Income Limits Documentation System, Chicago-Joliet-Naperville, IL HUD Metro FMR Area

8. <u>How long must HTF-assisted units be kept as affordable units</u>?

Units in for-sale developments assisted with HTF funds must be kept affordable in perpetuity or as long as is legally permissible; HTF-assisted units in rental developments must be kept affordable for at least 25 years. The Housing Commission will ensure on-going affordability through a grant agreement and deed restrictions, covenants or other related instruments that run with the property.

9. <u>How are HTF funds made available for affordable housing development activities</u>?

Funds are available pursuant to an application process in accordance with funding policies developed by the Highland Park Housing Commission.

10. <u>Who is eligible to apply for HTF funding for affordable housing development</u>?

Eligible applicants include housing developers (for-profit and notfor-profit), owners or operators of housing developments, and units of government. Eligible units include affordable housing units that a developer provides in excess of the affordable housing units that the City’s Inclusionary Housing Ordinance requires.

FOR MORE INFORMATION, CONTACT THE DEPARTMENT OF COMMUNITY DEVELOPMENT, 847-432-0867.

Attachment 4

Affordable Housing Demolition Tax Ordinance

"The Highland Park Code of 1968"
of the
City of Highland Park, Illinois

Section 170.040 Demolition of Dwellings

(I) Affordable Housing Demolition Tax.

(1) Tax Imposed and Dedicated. Any person granted a demolition permit under this Section for a residential structure (as defined in Chapter 150 of this Code) shall pay an affordable housing demolition tax at the rate set forth in the Annual Fee Resolution (a) for the demolition of any single family residential structure (as defined in Chapter 150 of this Code), or (b) for the demolition of any multiple-family residential structure (as defined in Chapter 150 of this Code), at either the rate set forth in the Annual Fee Resolution or the rate set forth in the Annual Fee Resolution for each unit in the structure, whichever amount is more. The tax imposed pursuant to this Subsection shall be in addition to the demolition permit fee set forth in Section 109.2(12) of the International Building Code, as amended pursuant to Section 170.003.1(11) of this Chapter, and all other applicable fees and charges. Payment of the affordable housing demolition tax shall be due upon issuance of a demolition permit by the Department. The funds received by the City for the amount imposed pursuant to this Subsection 170.040(I) shall be dedicated and transferred to the "Housing Trust Fund" established and operating pursuant to Section 33.1133 of the City Code and to the Multi-Modal Transportation Fund of the City, all according to the percentages set forth in the Annual Fee Resolution. (Ord. 35-03, J. 29, p. 134, passed 5/27/03, Ord. 38-06, J. 32, p. 133-135, passed 4/24/06; Ord. 31-10, J. 36, p. 113-116 , passed 3/22/10; Ord. 87-10, J. 36, p. 310-313, passed 12/13/10; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(2) Special Applicability Rules. Notwithstanding the general requirement set forth in Paragraph (1) of this Subsection, the affordable housing demolition tax shall not apply under the following circumstances upon filing of an application on a form provided and prepared by the City; provided however, that this Section 170.040(I) (2) shall not affect an applicant's obligation to pay the demolition permit fee set forth in Section 108.2(12) of the International Building Code, as amended pursuant to Section 170.003.1(11) of this Chapter. (Ord. 45-07, J. 33, p. 251-253, passed 6/11/07; Ord. 31-10, J. 36, p. 113-116, passed 3/22/10; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(a) If the applicant and the Housing Commission enter into an agreement for the provision of "Affordable Housing" (as defined in Section 33.1133 of this Code), by the applicant in conjunction with the demolition that would otherwise be the subject of the affordable housing demolition tax. Any such agreement shall specifically set forth the applicability of this Subparagraph with regard to the affordable housing demolition tax otherwise required under this Subsection. The waiver of the affordable housing demolition tax under this Section 170.040(I)(2)(a) shall only apply to affordable units. The affordable housing demolition tax, and all other applicable fees and costs under this Code, shall apply to all market rate units. (Ord. 10-03, J. 29, p. 034-037, passed 1/27/03; Ord. 45-07, J. 33, p. 251-253, passed 6/11/07)

(b) If the applicant establishes, through a professionally prepared appraisal or other reliable evidence, to the satisfaction of the Director of the Department of Community Development, that the building or structure replacing the building or structure that is the subject of the demolition permit constitutes Affordable Housing under Section 33.1133 of this Code.

(c) If: (i) the applicant has been the record title owner of the property on which the demolition is proposed for all of the five years immediately preceding the date of the application ("pre-permit period"); (ii) the property has been the primary residence of the applicant throughout the pre-permit period; (iii) the applicant remains the record title owner of the property at all times after the pre-permit period until the date that is five years immediately after the date on which the certificate of occupancy for the new structure is issued ("post-permit period"); and (iv) the property remains the primary residence of the applicant throughout the post-permit period. To qualify under this Subparagraph, the applicant shall submit, in addition to other required application materials, title documents establishing the applicant's ownership and use of the property as his or her primary residence during the entire pre-permit period, as well as a sworn statement of the applicant's intention to retain ownership of the property and to use the property as his or her primary residence for the entire post-permit period. As a pre-condition to the applicability of this Subparagraph and to the issuance of a demolition permit and certificate of occupancy, the applicant shall provide, for recordation by the City against the property, such covenants, on forms prepared and provided by the City, that will run with and bind the property. The covenant will require the payment of the full amount of the affordable housing demolition tax, including 5 percent per annum interest from the date the permit was issued, if the applicant transfers ownership of the property, or no longer uses the property as his or her primary residence, at any time during the post-permit period. No transfer stamps or other City approvals will be issued in relation to any transfer of the property during the post-permit period unless and until the affordable housing demolition tax, including the required interest, has first been paid in full to the City. (Ord. 39-02, J. 28, p. 297-299, passed 6/24/02, Ord. 10-03, J. 29, p. 034-037, passed 1/27/03; Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(d) If the applicant establishes, to the satisfaction of the Director of the Department of Community Development, (i) that the demolition subject to the demolition permit is necessary due to the medical condition of the owner of the building or structure to be demolished ("Demolition Building"); and (ii) that the building or structure replacing the Demolition Building ("Replacement Building") shall be occupied by the owner and that said owner qualifies as a Low-Income or Moderate-Income Household under the definitions set forth in Section 33.1133(A) of this Ordinance, as evidenced by such documents and information, including without limitation tax returns and pay stubs, as the Director may reasonably require. For purposes of this Subparagraph, in order to establish that a demolition is "necessary due to the medical condition of the owner of the building or structure," the applicant must, at a minimum, provide the following:

(i) A sworn statement by a medical doctor licensed to practice medicine in Illinois, describing the medical condition at issue and verifying that the proposed demolition and construction of the Replacement Building is necessary as a direct result of the medical condition of the owner.

(ii) Official medical records describing the medical condition that requires the demolition of the Demolition Building and construction of the Replacement Building.

(iii) Such other relevant information as may be provided by the applicant, or requested by the City, that is necessary to establish the requirements of this Subparagraph. (Ord. 10-03, J. 29, p. 034-037, passed 1/27/03)

(e) If the applicant establishes to the satisfaction of the Director of the Department of Community Development that structural measures must be undertaken that would typically qualify as a "demolition" pursuant to Subsection 170.040(E) of this Code due to extensive damage to the building or structure caused by Force Majeure. For purposes of this Subparagraph, Force Majeure shall mean acts of God beyond the owner's reasonable control and reasonable ability to remedy; provided, however, that for purposes of this Subparagraph Force Majeure shall not include damage caused by the owner, an agent or employee of the owner, or a third party in privity with the owner. (Ord. 47-03, J. 29, p. 161-162, passed 6/28/03; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(3) Deferral of Payment of Tax. Payment of the tax imposed pursuant to this Subsection 170.040(I) may be deferred until an application is filed pursuant to this Chapter for a building permit for the property on which the demolition is proposed ("Subject Property"), or until a plat of subdivision is recorded against the Subject Property, in accordance with the following:

(a) The tax imposed pursuant to this Subsection 170.040(I) shall not be deferred for any Subject Property if a title, beneficial, or equitable interest in the Subject Property is held by any person who either: (i) simultaneously holds a title, beneficial or equitable interest in any parcel or tract of land that is adjacent to the Subject Property (an "Adjacent Property"); or (ii) is the child, spouse, sibling or parent of any person who simultaneously holds a title, beneficial or equitable interest in an Adjacent Property; provided, however, that if the person who holds the interest in the Adjacent Property uses such Adjacent Property as his or her primary residence, the tax imposed pursuant to this Subsection 170.040(I) may be deferred pursuant to this Subparagraph 170.040(I)(3) if that person has not previously deferred payment of tax pursuant to this Paragraph 170.040(I)(3). (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(b) Prior to the issuance of a demolition permit for the Subject Property, the owner of the Subject Property shall execute and record against the Subject Property, in the office of the Lake county Recorder, a Tax Payment and Property Maintenance Covenant ("Covenant"), which Covenant shall be in a form provided by the City, and shall contain, at a minimum, the following provisions: (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(i) The then-owners of the Subject Property shall pay to the City the amount of tax required pursuant to Subparagraph 170.040(I)(3)(c) of this Chapter upon either: (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

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1. The filing of an application pursuant to this Chapter for a building permit for the Subject Property; or (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

2. The recordation of a plat of subdivision or plat of consolidation against the Subject Property. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(ii) No new structures shall be constructed on the Subject Property until the then-owners of the Subject Property submit payment to the City of the tax required pursuant to Subparagraph 170.040(I)(3)(c) of this Chapter; (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(iii) Until a building permit is issued pursuant to this Chapter for the Subject Property, the Subject Property shall be landscaped and maintained in accordance with a maintenance plan, which maintenance plan shall (A) be approved in advance by the City Director of Community Development; (B) shall be attached as an exhibit to the Covenant; and (C) at a minimum, require the backfill of all excavations on the Subject Property, the removal of all concrete and asphalt pavement and all garbage, debris, and litter from the Subject Property, the trimming and mowing to a neat condition of all trees, bushes, and grass on the Subject Property, the spread of black topsoil over the entire Subject Property at a minimum depth of four inches, and the sodding or seeding of the topsoil; and (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(iv) The City shall have the right, but not the obligation, to enforce the terms of the Covenant. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(c) For any property for which the tax imposed by this Subsection 170.040(I) is deferred pursuant to this Paragraph 170.040(I)(3), the amount of the tax shall be the greater of: (i) the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date on which payment of the tax is due, as determined pursuant to Subparagraph 170.040(I)(3)(b)(i) of this Chapter; and (ii) 150 percent of the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date of recordation of the Covenant. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(4) General Applicability. Imposition of the tax imposed pursuant to this Subsection shall not apply to any demolition for which a complete and proper application for the demolition permit was on file with the City on or before May 29, 2002, being the effective date of this Subsection. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

Attachment 5

CPAH 2018-2019 Annual Report and Brochures

COMMUNITY PARTNERS for AFFORDABLE HOUSING

ANNUAL REPORT
2018 - 2019

Do you know someone who...

Needs housing, but their wages or circumstances prevent them from renting a safe, decent place to live?

Wants to buy a house, but the home buying process is overwhelming and they are having trouble saving for a down payment?

Is faced with possibly losing their home to foreclosure?

Wants to stay in their home but can't afford to make the necessary repairs to make it safe and livable?

Needs to make accessibility improvements in order to keep living independently in their home?

Wants to remain in the community, but the cost of housing is forcing them to leave?

Everyone should have a place to call home.

CPAH is now more impactful than ever, serving more people and offering more services! Earlier this year, three highly regarded housing non-profits—Community Partners for Affordable Housing, Affordable Housing Corporation of Lake County, and Lake County Residential Development Corporation — came together, understanding that it would allow us to develop more affordable housing units and provide more services to our clients. As one larger organization, we now offer a continuum of housing services that residents can access with one phone call including rental housing, affordable homeownership, down payment assistance, HUD-certified housing counseling, home repairs, accessibility improvements, foreclosure prevention, financial counseling, and administration of community land trust and inclusionary housing programs. Read on to hear from our clients and learn more about our programs!

A Family's Journey

What a journey it has been for Jacquie, Tony and their family. After some setbacks that they describe as a "gut check", they were able to put the pieces back together with CPAH's help. Jacquie recalls that "the minute we walked in the door, it was like CPAH threw a warm blanket over us. We were able to help ourselves because CPAH taught us to be educated consumers at CPAH's Pre-Purchase class and with their incredibly helpful follow up." Jacquie and Tony credit CPAH with teaching them to make "smart" decisions, and how to apply for down payment assistance — a pivotal point on their way to owning their home.

275 HOUSEHOLDS PREPARED FOR SUCCESSFUL HOME OWNERSHIP THROUGH CPAH'S EDUCATION AND COUNSELING PROGRAMS THIS YEAR, AND 37 HOUSEHOLDS RECEIVED DOWN PAYMENT ASSISTANCE.

"THE MINUTE WE WALKED IN THE DOOR, IT WAS LIKE CPAH THREW A WARM BLANKET OVER US."

"It is a relief that we are living and enjoying each other in a safe, comfortable home."

A Fresh Start

Brandy, a single mom, was discouraged that her town house had so many problems and was becoming unlivable. The kitchen was barely usable, the washer and dryer were inaccessible, and the backyard was unsafe as it was filled with broken concrete. When she received a notice about CPAH's Owner Occupied Rehab program, she hoped that it was just what her beloved house needed to be a safe place for her family. Now the kitchen is remodeled and up to code, the washer and dryer are usable, and the concrete in the yard has been replaced by grass.

This year, 20 households received forgivable loans and construction management services to make their homes safe and accessible.

21 PROPERTIES WERE ACQUIRED, REHABILITATED AND RE-SOLD TO LOW AND MODERATE INCOME HOUSEHOLDS THIS YEAR.

Putting Down Roots

Rebecca and Ryan were finally ready to put down roots to raise their son Alex, but could not afford a home in the area, close to work. At the same time, a single mom who had raised her kids in a CPAH home was ready to sell her CPAH home to move closer to her grown family. A perfect match- right down to the porch swing! Rebecca and Ryan were able to purchase the home at an affordable price, just like the first owner, because the home is part of CPAH's Community Land Trust which guarantees that each home remains affordable forever—for each successive buyer.

Rebecca and Ryan now feel settled, stable and ready to "take root" in their affordable home!

"Thanks to CPAH, we feel stable, rooted, and are making the house ours. The future is bright!"

"To know we can continue to live in our home, it is everything to us."

CPAH helped 137 households save their homes from foreclosure this year.

A Second Chance

Jorge and Guadalupe were thrilled that their hard work paid off when they were able to buy a home in which to raise their sons. But when Jorge lost his job, they struggled to pay the mortgage. They were facing foreclosure and their dream home was slipping away. "But when we connected with CPAH, things started to look up. We felt supported and hopeful--- and eventually, we learned that we received a modification from the bank and we would not lose our home! Because of CPAH, we went from being afraid to being happy again."

120 HOUSEHOLDS SECURED SAFE, STABLE RENTAL HOUSING THIS YEAR, OPENING THE DOOR FOR SUCCESS.

Rentals

A minimum wage worker would have to work 113 hours a week to afford a 2-bedroom apartment in the area. CPAH rental units directly address this critical housing issue, helping individuals and families meet their need for safe, decent, affordable housing. Some tenants are working their way to home ownership while others are looking for long term stable rental housing. The 1,140 units of affordable rental housing CPAH has helped create provides safe, stable housing for low-income households.

Combined Statement of Financial Position
Community Parters for Affordable Housing (CPAH), Affordable Housing Corporation of Lake County (AHC), Lake County Residential Development Corporation (LCRDC), and Affiliate Entities
As of December 31,2018

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	4,456,842
Accounts receivable	810,235
Tenant receivable	17,258
Prepaid insurance & expenses	45,081
Buildings in progress or for sale	3,713,009
Total current assets	9,042,425
RESTRICTED CASH	
Real estate tax and insurance escrows	61,964
Replacement reserves	37,269
Operating reserves	63,460
Tenant security deposits	87,250
Total restricted cash	249,943
PROPERTY AND EQUIPMENT	
Land	9,334,817
Buildings and improvements	5,336,602
Furniture and equipment	10,503
Total property and equipment	14,681,922
OTHER ASSETS	
Note receivables	50,408
Investment in affiliates	235,537
Total other assets	285,945
TOTAL ASSETS	24,260,235
CURRENT LIABILITIES	
Accrued real estate taxes	289,616
Due to related parties	125,622
Tenant security deposits	74,175
Other payables	52,884
Current portion of mortgages payable	1,515,621
Deferred revenue	19,967
Prepaid revenue	11,266
Total current liabilities	2,089,151
LONG-TERM LIABILITIES	
Notes payable, net of current portion	1,811,058
Deferred grant revenue and loans payable	1,133,458
Total long-term liabilities	2,944,516
TOTAL LIABILITES	5,033,667
NET ASSETS	19,226,568
TOTAL LIABILITES AND NET ASSET	24,260,235

SUPPORT & REVENUE	
(CPAH & LCRDC 1/1/18 - 12/31/18; AHC 7/1/18 - 12/31/18)	
Support:	
Contributions	431,803
Grant income	1,465,697
Revenue:	
Interest income	3,642
Developer fee income	570,093
Net rental revenue	968,833
Proceeds from home sales	1,268,679
Proceeds on sale of note receivable	440,000
Miscellaneous income	60,525
TOTAL SUPPORT AND REVENUE	5,209,272
EXPENSES	
Administrative	162,062
Salaries and wages	1,018,691
Operating and maintenance	350,240
Utilities	44,275
Property & other insurance	57,864
Property taxes	249,735
Mortgage interest	71,470
Project development expense	1,475,156
Depreciation and amortization	254,160
Merger related expenses	68,932
TOTAL EXPENSES	3,752,585
Increase (decrease) in net assets	1,456,687
Net assets - beginning of year	24,333,757
Reduction of receivable	(6,563,876)
Net assets - end of year	19,226,568

Patrons

Through August 31, 2019

Champions

Gifts of $10,000 or more

City of Evanston
City of Highland Park
City of Lake Forest
First Bank of Highland Park
First Midwest Bank
Neil M Fitzpatrick
Forefront Mission Sustainability Initiative
Illinois Attorney General
Illinois Housing Development Authority
Lake County
Mon Valley Initiative
US Bank
Wintrust Financial Group

Partners

Gifts of $5,000-9,999

Owen Beacom
Tim & Meg Callahan
Evanston Community Foundation
Janice & Joel Goldblatt
Huntington Bank
Steven & Priscilla Kersten
Morgante Wilson Architects
William and Roseann Powers
Seachange-Lodestar Fund
Nate & Beth Tross

Benefactors

Gifts of $2,500-4,999

The Chicago Community Foundation
John & Christine Bakalar
Boothroyd Foundation
Betsy & Scott Lassar
Moraine Township
The R.J. Mullen, Sr. and Family Foundation
North Trust Charitable Giving Program
Sedge & Henry Plitt Charitable Trusts
St. Augustine's Church
Thomas H & Donna M Stone Foundation
The Trillium Foundation
West Deerfield Township

Stewards

Gifts of $1,000-2,499

Baxter Credit Union
Glenn & Elizabeth Becker
Jacolyn & John Bucksbaum
Craig & Caryn Caffarelli
Sue & Steve Carlson
Candance & Dan Chow
Sarah & John Cobb
Richard Cortesi
Derek Cottier & Laura Tilly
Carol & Leon Dragon
Jack & Jan Frigo
Frank & Sandy Gelber
Gelber Foundation
Glencoe Community Land Trust
Jill Graham
Jonathan & Susan Kaden
North Shore Trust and Savings
Eleanor & Bill Revelle
Rosenfeld Ilgen Family
Phil & Theresa Rozansky
Marc & Kim Schwartz
Wendy Shorr & Stuart Gelfman
Herbert C. Wenske Foundation

Advocates

Gifts of $500-999

Ann Airey
All Time Realty, Inc
Roman Anoufriev
Rob Anthony and Carolyn Read
Nina Bahlova
Austin Baidas
Anne & Vic Bassi
Steven Bialer & Sharon Feigon
BKB Commercial
Marcia Bogolub & Phil Kaplan
Jenifer & Bill Chase
Ellen & Scott Chukerman
Tim & Jill Cunniff
Gillian Derbyshire
Carole & David Dibo
Dream to Reality, Inc.
Cathie & John Estey
Julie Fenton & Stuart Chanen
Judith F Gillispie
Gregg & Julie Handrich
Tim Johston
Bruce & Laurie Kaden
Amy & Dan Kaufman
Dean Klassman
Andrew & Susie Kramer
Laura Kofoid & David Ricci
Burt & Caryl Lasko
John & Sheryl Leonard
Wendy Leopold & Lee Smith
The Lesser Agency
Don & Amy Lubin
Karl & Marcie Molek
Moritz Family Foundation
Tom Morsch
Mr. B Foundation
Mark Muller
Rob & Terri Olian
Ed & Marie Pasquesi
Joe & Anna Pasquesi
Brad Reiff & Caryn Summer
Ellen & Steven Rogin
Bob Rosenfeld
Robert Shannon & Gina Kennedy
Ellen & Marvin Sotoloff
Mark Stec
Jim & Ann Marie Streibich
Cobey & Erich Struckmeyer
Janet & Walter Swartz
Laura & Bruce White
Richard & Nadine Woldenberg
Anne & Ted Wolff
Marc & Jill Zisook

Leaders

Gifts of $250-499

Kathleen DeCaire-Aden & Brian Aden
Beth & Joe Alberts
Lisa M. Altenbernd & Steve H. Hagerty
Steve & Carol Bachert
Robert Baizer
Amy & Gary Bazelon
Janna & Keith Berk
Sue Berman & Steve Libowsky
Ron & Barbara Borden
Fred & Larry Bowers
Ralph Bradley
Mike Brody & Libby Ester
Gail & Andrew Brown
Joan & Brad Cannon
Doralu & Frank Chanen
Kate & Craig Collinson
Perri & Rick Courtheoux
Merle Teitelbaum Cowin
Ed & Mimi Fiorentino
Mark & Julia Gerstein
Linda Heneghan
Irene Hoffman
Joan & Josh Holleb
Scott Johnson
Dennis & Barbara Kessler
Charlie King
Dolores Kohl
Amy Kurson
Michael Kurtzon
Paul Lehman & Ronna Stamm
Jon A. Levey
Margaret Light
Jackie & David Mack
Anne & Mitch Macknin
Andrea Mainelli & Alex Schultheis
Stanley & Jean Meadows
Lois Melvoin
Loreen Mershimer
Nancy & Andy Mills
David & Diana Moore

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Community Partners for Affordable Housing

800 South Milwaukee Avenue, Suite 201
Libertyville, IL 60048

Highland Park Office
400 Central Avenue, Suite 111
Highland Park, IL 60035

847-263-7478
www.cpahousing.org
Email: cpahinfo@cpahousing.org

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COMMUNITY PARTNERS for AFFORDABLE HOUSING

Everyone should have a safe, affordable place to call home.

CPAH is a HUD-certified nonprofit organization that helps residents rent homes, buy homes, repair homes and save homes from foreclosure.

BUY a Home

Education: Learn how to navigate the complex process of buying and maintaining your home.

Counseling: Personalized guidance and individual action plans to help you overcome barriers to homeownership.

Forgivable Grants: Forgivable grants of up to 5% of the purchase price for down payment and closing costs.

Affordable Homes: Affordable homes for sale throughout the northern suburbs.

RENT a Home

Rental Housing: Affordable rental units available throughout the northern suburbs.

Rental Assistance: Rental assistance for income-qualified residents.

REPAIR your Home

Home Repair Grants: Forgivable grants to make necessary home repairs and improvements.

Accessibility Grants: Forgivable grants to make your home accessible for residents with disabilities and limited mobility.

Amortized Loan: Low cost loans to make other types of home improvements.

SAVE your Home

Counseling: Provides a free in-depth assessment of your situation and, where appropriate, intervenes with your lender to help save your home from foreclosure.

Mediation: Facilitated by a neutral court-appointed mediator, mediation puts legal proceedings on hold while lenders and homeowners work towards a resolution acceptable to all parties.

Call to discuss your circumstances and see if a CPAH program is right for you.

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CPAH is a HUD-certified 501c3 nonprofit agency

IMPROVE YOUR HOME

Grants & Loans for Lake County Homeowners

FORGIVABLE GRANTS	BIG & SMALL PROJECTS	SUPPORT
Government grants are forgiven after 5-10 years in your home	Major renovations, small repairs & accessibility improvements	Construction management to insure quality work & fair prices

GRANT & LOAN OPTIONS

Three programs are available; they may be paired together.

Life Systems Grant: Up to $40,000 to make necessary repairs and improvements to systems and structures, from the roof to the foundation and everything in between. This is a 0%-interest grant with no monthly payments, forgiven after 5-10 years in the home.

Accessibility Grant: Up to $20,000 to make your home accessible for residents with disabilities and limited mobility. This is a 0%-interest grant with no monthly payments, forgiven after 5 years in the home.

Amortized Loan: Up to $10,000 to make all kinds of life systems, accessibility and aesthetic improvements. This is a 3%-interest loan with monthly payments, payable over a maximum ten-year period.

WHO IS ELIGIBLE?

- Grants and Amortized Loans are available for residents living anywhere in Lake County
- Homeowners must use the home as their principal residence.
- The after-rehab value of the home cannot exceed $242,250.
- Homeowners must be current on property taxes.
- Gross household income (income from all sources) cannot exceed the following limits based on your household size:

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8
80% MFI	$49,950	$57,050	$64,200	$71,300	$77,050	$82,750	$88,450	$94,150
Above effective as of June 28, 2019. Guidelines are determined by HUD and are adjusted annually.								

ELIGIBLE IMPROVEMENTS

- Roofs & windows
- Garage doors
- Accessibility improvements
- Kitchens & bathrooms
- Electrical & plumbing
- Lead & mold remediation
- Heating & cooling
- And more!

Call to discuss your circumstances and see if a CPAH program is right for you.

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COMMUNITY PARTNERS for AFFORDABLE HOUSING

Todos deben tener un lugar seguro y asequible para llamar hogar

CPAH es una organización sin fines de lucro certificada por HUD que ayuda a los residentes rentar, comprar, reparar y salvar casas de la ejecución hipotecaria.

COMPRA casa

Educación: Aprenda como navegar el complejo proceso de compra y mantenimiento de su hogar.

Asesoría Financiera: Guía personalizada y planes de acción individuales para ayudarle a superar las barreras de ser dueño de casa.

Ayuda para el Enganche: Becas perdonables de hasta 5% del precio de la casa para comprar en el condado de Lake.

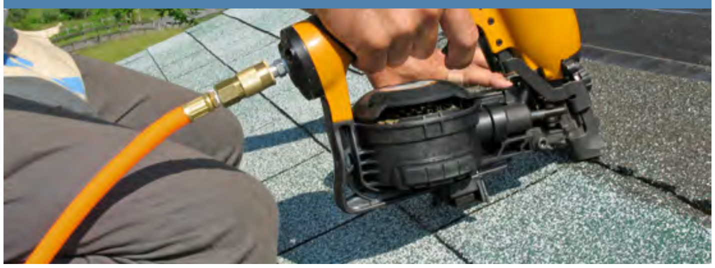
Casas asequibles: Cases en venta a través de los suburbios del norte.

ALQUILAR

Viviendas para alquilar: Viviendas asequibles disponibles en los suburbios del norte.

Asistencia de Alquilar: Asistencia disponible para residentes con bajos ingresos.

REPARE su casa



Becas Perdonables: Becas disponibles para hacer reparaciones y mejoras necesarias a su hogar.

Becas para Accesibilidad: Becas disponibles para hacer su hogar accesible para las personas con discapacidad y movilidad reducida.

Préstamo Amortizado: Préstamos de bajo costo para hacer otros tipos de arreglos a su hogar

SALVE su casa

Educación y Consejería: Proveemos una evaluación gratuita y detallada de su situación y cuando corresponde intervenimos con su banco para ayudar a salvar su casa de una ejecución hipotecaria.

Mediación: Este programa es facilitado por un mediador neutral designado por la corte. El programa pone en espera los procedimientos legales mientras el banco y los dueños de la casa trabajan para lograr una resolución aceptable para todas las partes.

Llámenos para discutir su situación y ver si un programa de CPAH es adecuado para usted.

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COMMUNITY PARTNERS for AFFORDABLE HOUSING

MEJORE SU CASA

Ayuda para los propietarios

BECAS PERDONABLES
Becas del gobierno perdonados después de 5-10 años

PROYECTOS GRANDES Y PEQUEÑOS
Renovaciones principales, pequeñas reparaciones y mejoras de accesibilidad

APOYO
CPAH supervisará los servicios de construcción para asegurar un trabajo de calidad y precio justo.

OPCIONES FINANCIERAS

Tres programas disponible; pueden ser combinados.

Beca 'Life Systems': Hasta $40,000 para reparaciones necesarias y mejoramiento a sistemas y estructura desde el techo hasta la fundación y todo lo que hay por medio. Esto es una beca de 0% interés diferido sin pagos mensuales y perdonado después de 5-10 años.

Beca para Accesibilidad: Hasta $20,000 para la creación de la accesibilidad para las personas con discapacidad. Esto es una beca de 0% interés diferido sin pagos mensuales y perdonado después de 5-10 años.

Préstamo Amortizado: Hasta $10,000 para hacer todo tipo de reparaciones a los sistemas de vida, la accesibilidad y el mejoramiento de estéticas. Financiamiento de 3% interés con pagos mensuales, pagado por un máximo de diez años.

¿QUIÉN ES ELEGIBLE?

- Las becas y los préstamos amortizados están disponibles para los residentes que viven en cualquier parte del condado de Lake
- Propiedades tienen que ser ocupados por los dueños.
- El valor de la propiedad después de reparaciones no puede superar $242,250.
- Impuestos de la propiedad tienen que estar pagados hasta la fecha.
- El ingreso bruto de todas las personas que van a vivir en el hogar no puede superar el 80% del ingreso familiar indicado abajo:

TAMAÑO DE FAMILIA	1	2	3	4	5	6	7	8
80% MFI	$49,950	$57,050	$64,200	$71,300	$77,050	$82,750	$88,450	$94,150
Efectivo 6/28/2019. Las directrices están determinadas por HUD y se ajustan anualmente.								

MEJORAS ELEGIBLES

• Techos y ventanas • Accesibilidad para discapacitados • Eléctrico y plomería • Calefacción y refrigeración
• Puertas de garaje • Cocinas y baños • Remediación de plomo y molde • Y mucho más!

Llámenos para hablar sobre sus circunstancias y ver si es elegible para uno de los programas de CPAH.

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COMMUNITY PARTNERS for AFFORDABLE HOUSING

FINANCIAL CAPABILITY PROGRAM

Counseling & Matched Savings To Build Financial Success

CPAH is a HUD-certified nonprofit agency that provides free counseling and coaching to help residents achieve financial success. We can help stabilize finances, build credit, manage debt, establish savings, and increase overall financial knowledge and skills. CPAH counselors conduct a comprehensive analysis of your situation and then work with you to develop a personalized action plan to reach your goals. Counselors provide follow-up services to track progress and are available to provide continued coaching to help you achieve long-term financial goals.

Is it a challenge to pay your bills each month?

Struggling with high debt and/or the inability to save for the future?

Would you like to improve your credit score?

Interested in building wealth?

Want to improve your overall financial knowledge and skills?

Ready to develop an action plan to improve your personal finances?

If you answered YES to any of these questions, then CPAH's Financial Capability Program may be right for you.

Call 847-263-7478 ext. 15 to learn more.

MATCHED SAVINGS PROGRAM

Turn your $75 into $225 in three steps!

1. Complete the free financial counseling program
2. Deposit $25 per month into any savings account for three consecutive months
3. We'll triple your savings by depositing $150 into your account!

COMMUNITY PARTNERS for AFFORDABLE HOUSING

PROGRAMA DE CAPACIDAD FINANCIERA

Consejería y asesoramiento gratis para alcanzar éxito financiero

CPAH es una agencia sin fines de lucro certificada por HUD que provee consejería y asesoramiento gratuitos para ayudar a los residentes a alcanzar el éxito financiero. Podemos ayudar a estabilizar sus finanzas, construir su crédito, administrar deuda, establecer ahorros y aumentar el conocimiento y las habilidades financieras en general. Los consejeros de CPAH conducirán un análisis de su situación y luego trabajan con usted para desarrollar un plan de acción personalizado para alcanzar sus objetivos. Los consejeros estarán en contacto para asesórale durante el proceso y proporcionarán entrenamiento continuo para ayudarle a alcanzar sus metas financieras a largo plazo.

¿Se le hace difícil pagar sus deudas cada mes?

¿Está luchando con deuda alta y / o la incapacidad de ahorrar para el futuro?

¿Le gustaría mejorar su puntaje de crédito?

¿Está interesado en construir prosperidad?

¿Desea mejorar sus conocimientos y habilidades financieras?

¿Listo para desarrollar un plan de acción para mejorar sus finanzas personales?

Si respondió SÍ a cualquiera de estas preguntas, el Programa de Capacidad Financiera de CPAH puede ser adecuado para usted.

Llame al 847-263-7478 ext. 15 para aprender más.

PROGRAMA MATCHED SAVINGS

¡Convierte tus $75 en $225 en tres pasos!

1. Complete el programa de Capacidad Financiera gratuito
2. Deposite $25 por mes en cualquier cuenta de ahorros por tres meses consecutivos
3. ¡Triplicaremos sus ahorros depositando $150 en su cuenta!

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COMMUNITY PARTNERS for AFFORDABLE HOUSING

HOME ACCESSIBILITY PROGRAM

Accessibility Improvements for Seniors & Persons with Disabilities

CPAH is a nonprofit organization that can help you finance and manage accessibility improvements.

GRANT PROGRAM

- Up to $20,000 to make accessibility improvements for seniors and persons with disabilities
- Grants are structured as a 0%-interest deferred loan with no monthly payments and are forgiven 1/60th per month (fully forgiven after 5 years in the home)
- Applicants may combine the Home Accessibility Program with other CPAH assistance programs

WHO IS ELIGIBLE?

- At least one member of the household must be 62 years old or older or have a disability which substantially limits one or more major life activities
- Participants must use the home as their principal residence
- If you rent your home, permission and full cooperation is needed from the property owner
- Gross household income (income from all sources) cannot exceed the following limits based on your household size:

ELIGIBLE IMPROVEMENTS

Accessible Ramps

Grab Bars

Lifts

Accessible Bathrooms

Roll-in Showers

Widening Doorways

Accessible Kitchens

Other accessibility, health and safety repairs

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8
Income Limit	$49,950	$57,050	$64,200	$71,300	$77,050	$82,750	$88,450	$94,150

Above effective as of June 28, 2019. Guidelines are determined by HUD and are adjusted annually.

Call to discuss your circumstances and see if a CPAH program is right for you.

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Attachment 6

Ordinance, Amended Article 21 Inclusionary Housing
October 28, 2019

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HIGHLAND PARK, ILLINOIS 60035
(847) 432-0800

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CITY OF HIGHLAND PARK
COUNTY OF LAKE } **SS**
STATE OF ILLINOIS

I, Ashley Palbitska, Deputy City Clerk of the City of Highland Park, in the County of Lake, State of Illinois, do hereby certify that I am keeper of the records, ordinances, files and seal of said City, and;

I HEREBY CERTIFY that the attached records are a true and correct copy of **ORDINANCE O72-2019**, titled **"AN ORDINANCE AMENDING ARTICLE XXI OF "THE CITY OF HIGHLAND PARK ZOING ORDINANCE OF 1997," AS AMENDED, REGARDING INCLUSIONARY HOUSING"**, passed and approved by the City of Highland Park City Council on **OCTOBER 28, 2019,** all as appears from the records in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said City of Highland Park, this 14th day of November, 2019.

Ashley Palbitska, Deputy City Clerk

CITY OF HIGHLAND PARK
INCORPORATED 1869

Return To:

City of Highland Park
Deputy City Clerk
1707 St Johns Avenue
Highland Park, IL 60035

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CITY OF HIGHLAND PARK

ORDINANCE NO. O72-2019

AN ORDINANCE AMENDING ARTICLE XXI OF "THE CITY OF HIGHLAND PARK ZONING ORDINANCE OF 1997," AS AMENDED, REGARDING INCLUSIONARY HOUSING

WHEREAS, Article XXI of the "City of Highland Park Zoning Ordinance of 1997," as amended (***"Zoning Code"***), regulates the provision of inclusionary housing in the City; and

WHEREAS, the City Council desires to comprehensively amend Article XXI of the Zoning Code in order to update and modify the provisions concerning: (i) payment of fees in lieu of provision of inclusionary housing units; (ii) bonus market-rate units allowed within developments that include inclusionary housing units; (iii) amenities to be provided for inclusionary housing units; (iv) proportional requirements for the provision of inclusionary housing units; and (v) other miscellaneous requirements of the City's inclusionary housing program (collectively, the ***"Proposed Amendments"***); and

WHEREAS, public hearings by the Plan and Design Commission to consider the Proposed Amendments to the Zoning Code were duly advertised in the Highland Park News on several dates between December 21, 2018, and April 1, 2019, opened on March 19, 2019, continued on April 16, 2019, and concluded on May 21, 2019, and findings of fact in support of the Proposed Amendments were approved by the Plan and Design Commission on May 21, 2019 (Public Hearings No. 17-10-ZTA-004 and 19-02-ZTA-001) in accordance with and pursuant to Section 150.1506 of the Zoning Code; and

WHEREAS, the City Council has considered the Proposed Amendments and the recommendation of the Plan and Design Commission, and has determined that adoption of the Proposed Amendments, as set forth in this Ordinance, will serve and be in the best interest of the City and its residents;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF HIGHLAND PARK, LAKE COUNTY, ILLINOIS, as follows:

SECTION ONE: RECITALS. The foregoing recitals are incorporated into, and made a part of, this Ordinance as findings of the City Council.

SECTION TWO: INCLUSIONARY HOUSING. Article XXI, titled "Inclusionary Housing," of the Zoning Code is hereby amended in its entirety, and will hereafter read as set forth in **Exhibit A** attached to and, by this reference, made a part of this Ordinance.

SECTION THREE: PUBLICATION. The City Clerk is hereby directed to publish this Ordinance in pamphlet form pursuant to the Statutes of the State of Illinois.

SECTION FOUR: EFFECTIVE DATE. This Ordinance will be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

[SIGNATURE PAGE FOLLOWS]

Legal Reference:
66025702_7

AYES: Mayor Rotering, Councilmen Stolberg, Stone, Kaufman, Blumberg, Knobel

NAYS: Councilman Holleman

PASSED AS AMENDED: October 28, 2019

ADOPTED AS AMENDED: October 28, 2019

PUBLISHED IN PAMPHLET FORM: October 29, 2019

ORDINANCE NO. O72-2019

Nancy R. Rotering, Mayor

ATTEST:

Ghida S. Neukirch, City Clerk

66025702_7

EXHIBIT A

ARTICLE XXI. - INCLUSIONARY HOUSING

Sec. 150.2100. - Policy.

The purpose of this Code is to promote the public health, safety, and welfare by promoting housing of high quality located in neighborhoods throughout the community for households of all income levels, ages and sizes in order to meet the City's goal of preserving and promoting a culturally and economically diverse population in the City. Based upon the review and consideration of reports and analyses of the housing situation in the City, it is apparent that the diversity of the City's housing stock has declined as a result of increasing property values and housing costs and a reduction in the availability of affordable housing; that demolition of certain existing dwellings has led to a reduction in the diversity of the City's housing stock and affordable housing opportunities, and that subsequent redevelopment has in many cases contributed to property value increases that further the difficulty of providing affordable housing in the City; and that, with the exception of housing developed in partnership with the City or its Housing Commission, the privately developed new residential housing that is being built in the City generally is not affordable to low- and moderate-income households. The City recognizes the need to provide affordable housing to low- and moderate-income households in order to maintain a diverse population and to provide housing for those who live or work in the City. Without intervention, the trend toward increasing housing prices will result in an inadequate supply of affordable housing for City residents and local employees, which will have a negative impact upon the ability of local employers to maintain an adequate local work force and will otherwise be detrimental to the public health, safety, and welfare of the City and its residents. Since the remaining land appropriate for new residential development within the City is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to low- and moderate-income households and working families.

While this Article provides specific alternatives to the production of on-site affordable housing units, the intent and preference of this Code is for the provision of permanently affordable housing units constructed on-site and privately produced, owned, and managed.

The provisions of this Code may be supplemented by a set of Administrative Guidelines adopted pursuant to Section 150.2185 of this Code.

Sec. 150.2105. - Covered Development Projects.

(A) *General.* The provisions of this Code shall apply to all developments that result in or contain five or more residential dwelling units. The types of development subject to the provisions of this Code include, but are not limited to, the following:

(1) A development that is new residential construction or new mixed-use construction with a residential component.

(2) A development that is the renovation or reconstruction of an existing multiple family residential structure that increases the number of residential units from the number of units in the original structure.

(3) A development that will change the use of an existing building from non-residential to residential or that will change the type of residential use.

(4) A development that includes the conversion of rental property to private ownership of individual housing units.

(B) Development *on Multiple Parcels.* For purposes of this Code, a development that occurs on adjacent parcels under common ownership shall be considered one development.

Sec. 150.2110. – General Affordable Housing Requirements.

All covered development projects within the City shall provide affordable residential units within the covered development, in accordance with Section 150.2115 of this Code, unless and to the extent the City approves an exception to allow either: (A) the provision of affordable residential units at an off-site location, in accordance with Section 150.2120 of this Code; (B) a cash payment in lieu of providing affordable housing units, in accordance with Section 150.2125 of this Code; or (C) the dedication of land to the Highland Park Housing Commission, in accordance with Section 150.2130 of this Code. The percentage of residential units within the covered development project that are affordable residential units must not be less than approximately 15%, calculated pursuant to Section 150.2115 of this Code.

Sec. 150.2115. – Provision of Affordable Housing Units.

(A) *Calculation of Units Required.* Unless an exception is approved pursuant to Sections 150.2120, 150.2125, or 150.2130 of this Code, the applicant for a covered development project must satisfy the requirements of this Article XXI by providing affordable housing units within the development, calculated as follows:

(1) The applicant must identify the number of dwelling units proposed to be constructed as part of the covered development project, which quantity must comply with the applicable regulations set forth in Article VII of this Chapter 150 and the other applicable building and zoning regulations of this Code.

(2) Of the quantity of dwelling units identified pursuant to Section 150.2115(A)(1) of this Code, 20 percent must be designated as affordable housing units. If the 20 percent calculation performed pursuant to this Section 150.2115(A)(2) yields a fractional number, the applicant must either: (a) provide a full affordable housing unit; or (b) pay a fee-in-lieu for that fractional unit, in the corresponding fractional amount of the per unit payment amount established pursuant to Section 150.2125(B) of this Code.

(3) The applicant may then incorporate 1.5 additional dwelling units into the covered development project for each affordable unit provided pursuant to this Section 150.2115 (i.e. the applicant may incorporate the additional dwelling units, notwithstanding the number identified pursuant to Section 150.2115(A)(1) of this Code or any maximum density regulation set forth in another provision of this Code).

(B) *Compliance with Requirements.* Affordable housing units provided by the applicant must comply with the requirements set forth in Sections 150.2150 through 150.2175 of this Code.

Sec. 150.2120. – Off-Site Affordable Housing Units in-Lieu of On-Site Affordable Housing Units.

(A) *General Applicability.* In lieu of providing the affordable housing units required pursuant to Section 150.2115(A) of this Code within the covered development, the applicant may provide some or all of the required units at an alternate off-site location within the City, but only upon the approval of the City Council, after consideration of a recommendation from the Housing Commission, and after making a determination that provision of the required units at an alternate off-site location will further affordable housing opportunities in the City to an equal or greater extent than through provision of affordable units within the covered development.

(B) *Compliance with Requirements.* Affordable housing units provided by the applicant must comply with the requirements set forth in Sections 150.2150 through 150.2175 of this Code.

Sec. 150.2125. - Cash Payment in-Lieu of Affordable Housing Units.

(A) *General Applicability.* The applicant may make a cash payment in lieu of constructing some or all of the required affordable housing units otherwise required pursuant to Section 150.2115 of this Code, but only if either: (1) the covered development consists solely of 19 or fewer single-family detached dwelling units; or (2) the City Council approves such payment, after consideration of a recommendation from the Housing Commission, and after making a determination that such a payment will further affordable housing opportunities in the City to an equal or greater extent than through provision of affordable units pursuant to Section 150.2115 of this Code.

(B) *Amount and Use of Cash in Lieu.* For covered developments consisting solely of 19 or fewer single-family detached dwelling units, the per unit payment amount shall be in the amount set forth in the Annual Fee Resolution. For all other covered developments, the per unit payment amount shall be not less than the amount set forth in the City's Annual Fee Resolution. The minimum per unit amount shall be determined by the City Council, based upon an estimate of the cost of providing an affordable housing unit, and shall be reviewed and modified periodically by the City Council. All cash payments received pursuant to this Article shall be deposited directly into the Affordable Housing Trust Fund for purposes authorized under Section 33.1133 of this Code.

(C) *Calculation.* The total in lieu payment amount shall be equal to the per unit amount established by the City pursuant to Section 150.2125(B) of this Code multiplied by 20 percent of the number of units proposed in the covered development, less the per unit amount multiplied by the number of affordable housing units actually provided by the applicant pursuant to Section 150.2115 of this Code.

(D) *Timing of Payment.* No building permits will be issued for a covered development project that utilizes the provisions of this Section 150.2125 prior to the payment of that percentage of the required total in lieu payment that is equal to the percentage of the dwelling units in the covered development project for which building permits have been or are being issued.

Sec. 150.2130. - Dedication of Land.

In lieu of providing affordable units pursuant to Section 150.2115 of this Code, and in lieu of making a cash payment pursuant to Section 150.2125 of this Code, the applicant may dedicate land to the Highland Park Housing Commission, or the Commission's not-for-profit designee, but only if: (a) the City Council approves such dedication, after consideration of a recommendation from the Commission and after making a determination that dedication of land will further affordable housing opportunities in the City to an equal or greater extent than through provision of affordable units pursuant to Section 150.2115 of this Code; and (b) the applicant dedicates a quantity of land sufficient for developing a quantity of dwelling units equal to 20 percent of the number of units in the covered development project.

Sec. 150.2135. - Application and Inclusionary Housing Plan.

(A) *Application.* For all covered development projects, the Applicant shall file an application for approval thereof on a form provided and required by the City. The application shall require, and the Applicant shall provide, among other things, general information about the nature and scope of the covered development, as well as such other documents and information as the Director of the City's Department of Community Development, or his or her designee ("Director"), may require. The Director shall also have the authority to require, as part of the application submittal, such portions of the inclusionary housing plan required under Section 150.2135(B) of this Code as the Director shall deem necessary to properly evaluate the proposed covered development under the requirements and provisions of this Code.

(B) *Inclusionary Housing Plan.* As part of the approval of a covered development project, the Applicant shall present to the Housing Commission and the City Council an inclusionary housing plan that outlines and specifies the covered development's compliance with each of the applicable requirements of this Code, in accordance with the following:

(1) *Required Submittals for Inclusionary Housing Plan.* The plan shall specifically contain, at a minimum, the following information regarding the covered development project;

(a) *Preliminary Plan.*

(i) A general description of the development, including whether the development will contain rental units or individually owned units, or both;

(ii) The total number of market rate units and affordable units in the development;

(iii) The total number of attached and detached residential units;

(iv) The number of bedrooms in each market rate unit and each affordable unit;

(v) The area of each market rate unit and each affordable unit;

(vi) The location within any multiple-family residential structure and any single-family residential development of each market rate unit and each affordable unit.

(vii) Floor plans for each affordable unit;

(viii) The amenities that will be provided to and within each market rate unit and affordable unit; and

(ix) The pricing for each market rate unit and each affordable housing unit.

(b) *Final Plan.*

(i) All of the information required for the preliminary Inclusionary Housing Plan pursuant to Section 150.2135(B)(1)(a) of this Code;

(ii) The phasing and construction schedule for each market rate unit and each affordable unit;

(iii) Documentation and plans regarding the exterior and interior appearances, materials, and finishes of the development and each of its individual units;

(iv) A description of the marketing plan that the applicant proposes to utilize and implement to promote the sale or rental of the affordable units within the development; and

(v) A description of the specific efforts that the applicant will undertake to provide affordable housing units to households pursuant to the priorities set forth in Section 150.2155 of this Code.

(2) *Review Procedure.*

(a) *Preliminary Plan.*

(i) Housing Commission Review. Within 60 days after the filing of a complete preliminary Inclusionary Housing Plan, the Housing Commission shall review the Inclusionary Housing Plan, and shall recommend either the approval (with or without modifications) or the rejection of the Inclusionary Housing Plan. The Housing Commission shall transmit its findings of fact and recommendation to the City Council. The failure of the Housing Commission to provide a recommendation within such 60 day period, or such further time to which the applicant may, in writing, agree, shall be deemed a recommendation against the approval of the Inclusionary Housing Plan.

(ii) City Council Consideration.

(A) Upon receipt of the Housing Commission recommendation pursuant to Section 150.2135(B)(2)(a)(i) of this Code, the City Council may, by resolution duly adopted, approve or reject the Preliminary Inclusionary Housing Plan.

(B) Approval of the preliminary Inclusionary Housing Plan by the City Council shall neither: (1) be deemed or interpreted as obligating the City Council to approve a final Inclusionary Housing Plan; nor (2) vest any right to the applicant other than the right to submit a final Inclusionary Housing Plan for the proposed Covered Development Project.

(b) *Final Plan.*

(i) Housing Commission Review. Within 60 days after the filing of a complete final Inclusionary Housing Plan, the Housing Commission shall review the Inclusionary Housing Plan, and shall recommend either the approval (with or without modifications) or the rejection of the Inclusionary Housing Plan. The Housing Commission shall transmit its findings of fact and recommendation to the City Council. The failure of the Housing Commission to provide a recommendation within such 60 day period, or such further time to which the applicant may, in writing, agree, shall be deemed a recommendation against the approval of the Inclusionary Housing Plan.

(ii) City Council Consideration. Upon receipt of the Housing Commission recommendation pursuant to Section 150.2135(B)(2)(b)(i) of this Code, the City Council may, by ordinance duly adopted, approve or reject the Inclusionary Housing Plan. Any ordinance approving a final Inclusionary Housing Plan shall include, without limitation, the following:

(A) All standards, conditions, or restrictions deemed necessary or applicable by the City Council to effectuate the proposed development and protect the public interest, health, safety and welfare; and

(B) A provisions requiring the execution and recordation by the applicant of a development agreement, as required pursuant to Section 150.2140 of this Code.

(c) *Concurrent Review of Preliminary and Final Plans.* Notwithstanding any provision of this Code to the contrary, for all Covered Development Projects that are not planned developments, and for all planned developments for which a concurrent review procedure has been approved pursuant to Section 150.550 of this Chapter, the Housing Commission and City Council shall review the preliminary and final Inclusionary Housing Plans concurrently, pursuant to the final Inclusionary Housing Plan review procedure set forth in Section 150.2135(B)(2)(b) of this Code.

(3) *Standards of Review.* The Housing Commission shall not recommend the approval of a preliminary or final Inclusionary Housing Plan, and the City Council shall not approve a preliminary or final Inclusionary Housing Plan, except upon making the following findings:

(a) That the applicant has demonstrated that the proposed affordable housing units are designed to accommodate the needs of the target households;

(b) That the location, floor plan, fixtures and finishes, and amenities of each proposed affordable housing unit satisfy the applicable provisions of this Code and are suitable for the needs of the target households;

(c) That each affordable housing unit is designed to accommodate family living needs for common space and dining areas; and

(d) That the proposed affordable housing units, and the development as a whole, conform to the applicable standards and requirements of this Chapter.

Sec. 150.2140. - Development Agreement and Other Documents.

Prior to issuance of a building permit for any covered development, the applicant shall have entered into a development agreement with the City regarding the specific requirements and restrictions regarding affordable housing and the covered development. The applicant shall execute any and all documents deemed necessary by the City, including without limitation, restrictive covenants and other related instruments, to ensure the continued affordability of the affordable housing units in accordance with this Article. The development agreement shall set forth the commitments and obligations of the City and the applicant and shall incorporate, among other things, the inclusionary housing plan. The development agreement shall also contain the agreements and decisions regarding the applicability of any one or more of the alternatives to the provision of on-site affordable housing units as set forth in Sections 150.2120, 150.2125, and 150.2130 of this Code.

Sec. 150.2145. - Development Cost Off-Sets.

An applicant that fully complies with the requirements of this Code shall, upon written request, receive from the City, with regard to the affordable housing units in the covered development, a waiver of all of the otherwise applicable application fees, building permit fees, plan review fees, inspection fees, sewer and water tap-on fees, demolition permit fees, the demolition tax, and such other development fees and costs which may be imposed by the City; provided, however, that this waiver shall not apply to third-party legal, engineering, and other consulting or administrative fees, costs, and expenses incurred or accrued by the City in connection with the review and processing of plans for the covered development. The waiver and discount of fees and costs under this Section shall only apply to the affordable units, and shall be calculated as the percentage of units within the covered development that are affordable units. All applicable fees and costs under this Code shall apply to all market rate units. To the extent that there are impact fees attributable to the affordable housing units, those impact fees shall be paid from funds in the Affordable Housing Trust Fund.

Sec. 150.2150. - Integration of Affordable Housing Units.

(A) *Location of Affordable Housing Units.* Affordable housing units shall be dispersed among the market rate units throughout the covered development.

(B) *Phasing of Construction.* The inclusionary housing plan and the development agreement shall include a phasing plan that provides for the timely and integrated development of the affordable housing units as the covered development project is built out. The phasing plan shall provide for the development of the affordable housing units concurrently with the market rate units. Building permits shall be issued for the covered development project based upon the phasing plan. The phasing plan may be adjusted by the Director when necessary in order to account for the different financing and funding environments, economies of scale, and infrastructure needs applicable to development of the market rate and the affordable housing units. The phasing plan shall also provide that the affordable housing units shall not be the last units to be built in any covered development.

(C) *Exterior Appearance.* The exterior appearance of the affordable housing units in any covered development shall be visually compatible with the market rate units in the development. External building materials and finishes shall be substantially the same in type and quality for affordable housing units as for market rate units.

(D) *Unit Amenities.* Amenities that are provided with a market rate unit shall also be provided with the affordable units. For purposes of this Section 150.2150(D), "amenities" shall include, without limitation, basements, front porches, storage lockers, balconies, roof decks, outdoor patios, off-street parking, enclosed parking, appliances, and similar unit features and additions. Specially, and without limitation of the foregoing, the development must comply with the following:

(1) *Parking Amenities.* One parking space per affordable unit must be included in the rent and without any additional charge to the tenant. Additional parking spaces must be made available in the same manner and using the same method for allocation for the market rate units. Premium parking spaces, such as indoor parking, shall not be required to be allocated to the affordable units free of charge, provided that required parking is provided elsewhere on the site.

(2) *Storage Amenities.* To the extent that storage is allocated to all market rate units within a development, similar storage space must be allocated to all affordable units and included in the rent without additional charge to the tenant. If storage space is not allocated to all units due to insufficient ratio of storage space to residential units, then the affordable units should have access to storage in the same manner as do the market rate units, at a cost discounted by the ratio of the affordable unit's rent to the equivalent size unit's market rent.

(E) *Interior Appearance and Finishes.* Affordable housing units may differ from market rate units with regard to interior finishes and gross floor area, provided that:

(1) The bedroom mix of affordable units shall be in equal proportion to the bedroom mix of the market rate units.

(2) The differences between the affordable housing units and the market rate units shall not include improvements related to energy efficiency, including mechanical equipment and plumbing, insulation, windows, and heating and cooling systems.

(3) The interior gross floor area for the affordable housing units shall be no less than the lesser of: (a) 75 percent of the gross floor area of market rate units with a comparable number of bedrooms; or (b) the minimum size requirements outlined in the table below; provided, however, that interior gross floor area shall not include areas devoted to vertical circulation, basements, off-street parking, lockers and similar storage areas, and mechanical rooms.

	Unit Type	
Number of Bedrooms	**Single Story Dwelling Units**	**Multi-Story Dwelling Units**
Studio	450 square feet	—
1	750 square feet	—
2	950 square feet	1,000 square feet
3	1,175 square feet	1,350 square feet
4	1,350 square feet	1,600 square feet

Sec. 150.2155. - Target Income Levels for Affordable Housing Units.

(A) *For-Sale Affordable Housing Units.* In covered development projects that contain for-sale units, at least one affordable housing unit and no less than 50 percent of the affordable housing units shall be sold to low-income households at a price, as determined pursuant to Section 150.2155(C) of this Code, that, on average, is affordable to a household with an annual income that is 65 percent of area median income. Any remaining affordable units shall be sold to moderate-income households at a price, as determined pursuant to Section 150.2155(C) of this Code, that, on average, is affordable to a household with an annual income that is 100 percent of area median income. The owner shall execute and record any documents required by Section 150.2140 of this Code to ensure compliance with this Section 150.2155(A).

(B) *Rental of Affordable Housing Units.* In covered development projects that contain rental units: (i) no less than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes from zero percent to 50 percent of the Chicago area median income at a price, as determined pursuant to Section 150.2155(C) of this Code, that, on average, is affordable to a household with an annual income that is 45 percent of area median income; (ii) no less than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes between 51 percent and 80 percent of the Chicago area median income at a price, as determined pursuant to Section 150.2155(C) of this Code, that, on average, is affordable to a household with an annual income that is 65 percent of area median income; and (iii) no more than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes between 81 percent and 120 percent of the Chicago area median income at a price, as determined pursuant to Section 150.2155(C) of this Code, that, on average, is affordable to a household with an annual income that is 100 percent of area median income. If fewer than three affordable units will be provided, such units shall be rented or leased to low-income households at a price, as determined pursuant to Section 150.2155(C) of this Code, that does not exceed what is affordable to a household with an annual income that is 65 percent of area median income.

(C) *Pricing Schedule.* The City, through the Director of Community Development, shall publish a pricing schedule of rental and sales prices for affordable housing units ("Pricing Schedule"), which Pricing Schedule shall be updated at least once every 12 months. The Director of Community Development may, in his or her discretion, include the Pricing Schedule within administrative guidelines adopted pursuant to Section 150.2185 of this Code.

<u>Sec. 150.2160. - Eligibility of Households.</u>

(A) *For-Sale Affordable Housing Units.* Only eligible households shall be permitted to purchase an affordable housing unit for purposes of this Code. Priority will be given first to households who live in Highland Park or households in which the head of the household or the spouse or domestic partner works in Highland Park as part of employment by the City of Highland Park, the Highland Park Public Library, the Park District of Highland Park, the Lake County Forest Preserve District, the County of Lake, Moraine Township, West Deerfield Township, School Districts 112 or 113, the Northern Suburban Special Education District, the North Shore Sanitary District, or the South Lake County Mosquito Abatement District, and then to households in which the head of the household or the spouse or domestic partner works in Highland Park for any other employer. At the applicant's request, the City or its not-for-profit designee shall select eligible households for the affordable housing units at an additional charge to the applicant at an amount to be determined by the City. If, during possession, the gross income of the eligible household increases above the eligible income levels, set forth in Section 150.2155 of this Code, the eligible household may continue to own the affordable housing unit. The owner shall execute and record any documents required by Section 150.2140 of this Code to ensure compliance with this Section 150.2160(A).

(B) *Rental Affordable Housing Units.* Only eligible households shall be permitted to rent an affordable housing unit for purpose of this Code. Priority will be given first to households who live in Highland Park or households in which the head of the household or the spouse *or* domestic partner works in Highland Park as part of employment by the City of Highland Park, the Highland Park Public Library, the Park District of Highland Park, the Lake County Forest Preserve District, the County of Lake, Moraine Township, West Deerfield Township, School Districts 112 or 113, the Northern Suburban Special Education District, or the South Lake County Mosquito Abatement District, and then to households in which the head of the household or the spouse or domestic partner works in Highland Park for any other employer. At the applicant's request, the City or its not-for-profit designee shall select eligible households for the affordable housing units at an additional charge to the applicant at an amount to be determined by the City. If, during possession, the gross income of the eligible household increases above the eligible income levels, set forth in Section 150.2155 of this Code, the eligible household may continue to lease the unit and may renew the lease as well. The owner shall execute and record any documents required by Section 150.2140 of this Code to ensure compliance with this Section 150.2160(B).

<u>Sec. 150.2165. - Marketing of the Affordable Housing Units.</u>

(A) *Good Faith Marketing Required.* All sellers and lessors of affordable units are responsible for marketing the affordable units, and shall engage in good faith marketing efforts to inform members of the public who are qualified to purchase or rent affordable units of the availability of such units for sale or rent. Prior to the initiation of public marketing efforts to sell or lease an affordable housing unit, the seller or lessor thereof shall submit to the Director of Community Development a description of the marketing plan that the applicant proposes to utilize and implement to promote the sale or rental of the affordable units within the development to the appropriate income groups.

(B) *City Assistance with Marketing.* At the applicant's request, the City or its designee shall assist the applicant in marketing the affordable housing units to eligible households, for an additional charge to be determined by the City.

Sec. 150.2170. - Period of Affordability.

(A) *Sale of Affordable Housing Units.* In covered developments that contain for-sale units, affordable housing units shall be resold to low and moderate income households for so long as the units are used for residential purposes, in perpetuity or as long as permissible by law. The owner shall execute and record any documents required by Section 150.2140 of this Code to ensure compliance with this Section 150.2170(A).

(B) *Rental of Affordable Housing Units.*

(1) In developments that contain rental units, affordable housing units shall be rented to low and moderate income households in accordance with Section 150.2160 of this Code for so long as the units are used for residential purposes, in perpetuity or as long as permissible by law. The owner shall execute and record any documents required by Section 150.2140 of this Code to ensure compliance with this Section 150.2170(B). In the event that the owner of a covered rental development sells the development, the new owner shall be required to continue to provide the affordable housing units in accordance with this Article XXI.

(2) If the owner of a covered rental development converts the development to condominiums or other form of individual unit ownership, the development shall be subject to the for-sale development requirements set forth in Section 150.2155(A) of this Code. The Housing Commission or its designee shall have the right, but not the obligation, to purchase any for-sale affordable housing units in the development pursuant to Section 150.2175 of this Code.

Sec. 150.2175. - Affordability Controls.

(A) *For-Sale Affordable Housing Units.*

(1) *Housing Commission Purchases.* The Housing Commission, or a not-for-profit agency designated by the Housing Commission, shall have the pre-emptive option and right, but not an obligation, to purchase each of the for-sale affordable housing units prior to any sale of any such unit. If the City, or the designated not-for-profit, exercises the option and purchases the affordable housing unit, the affordable housing unit shall be subject to such documents deemed necessary by the City, including, without limitation, restrictive covenants and other related instruments, to ensure the continued affordability of the affordable housing units in accordance with this Article. Such documentation shall include the provisions of this Code and shall provide, at a minimum, each of the following:

(a) The calculated maximum resale price is an upper limit, but shall not be construed as a guarantee that the unit will be resold at that price.

(b) Market conditions, and characteristics of the affordable housing unit, may result in the sale of an affordable housing unit at a price lower than the calculated maximum resale price.

(2) *Private Party Purchases.* In all other sales of for-sale affordable housing units, the parties to the transaction shall execute and record such documentation as required by Section 150.2140 of this Code to ensure the provision and continuous maintenance of the affordable housing units. Such documentation shall include the provisions of this Code and shall provide, at a minimum, each of the following:

(a) The affordable housing unit shall be sold to and occupied by an eligible household.

(b) The affordable housing unit shall be conveyed subject to restrictions that shall permanently maintain the affordability of such affordable housing units for eligible households.

(c) Preference for the affordable housing units shall be given to eligible households pursuant to the priorities set forth in Section 150.2160 of this Code.

(d) The calculated maximum resale price is an upper limit, but shall not be construed as a guarantee that the unit will be resold at that price.

(e) Market conditions, and characteristics of the affordable housing unit, may result in the sale of an affordable housing unit at a price lower than the calculated maximum resale price.

(B) *Rental Affordable Housing Units.* For covered rental developments that contain affordable housing units, the owner of the development shall execute and record such documentation as required by Section 150.2140 of this Code to ensure the provision and continuous maintenance of the affordable housing units. Such documentation shall include the provisions of this Code and shall provide, at a minimum, each of the following:

(1) The affordable housing units must be leased and occupied by eligible households.

(2) The affordable housing units must be leased at rent levels affordable to eligible households for so long as the units are used for residential purposes, in perpetuity or as long as permissible by law.

(3) Preference for the affordable housing units shall be given to eligible households pursuant to the priorities set forth in Section 150.2155 of this Code.

(4) The calculated maximum rental price is an upper limit, but shall not be construed as a guarantee that the unit will be rented at that price.

(5) Market conditions, and characteristics of the affordable housing unit, may result in the rental of an affordable housing unit at a price lower than the calculated maximum rental price.

(C) *Subleasing Prohibited.* Subleasing of affordable units shall not be permitted without the express written consent of the Director.

Sec. 150.2180. - Departures from Requirements.

The Housing Commission may recommend, and the City Council may approve, departures from any of the standards set forth in this Article, upon making each of the following findings:

(A) Due to specific and unique circumstances, undue hardship would be caused by the literal enforcement of the standards and requirements set forth in this Article;

(B) By virtue of excellence in design, the proposed departure from the standards does not result in a diminished or lower quality affordable dwelling unit, but provides a functionally equivalent dwelling unit; and

(C) The proposed affordable housing units otherwise meet the purpose and intent of this Code.

Sec. 150.2185. - Administrative Guidelines.

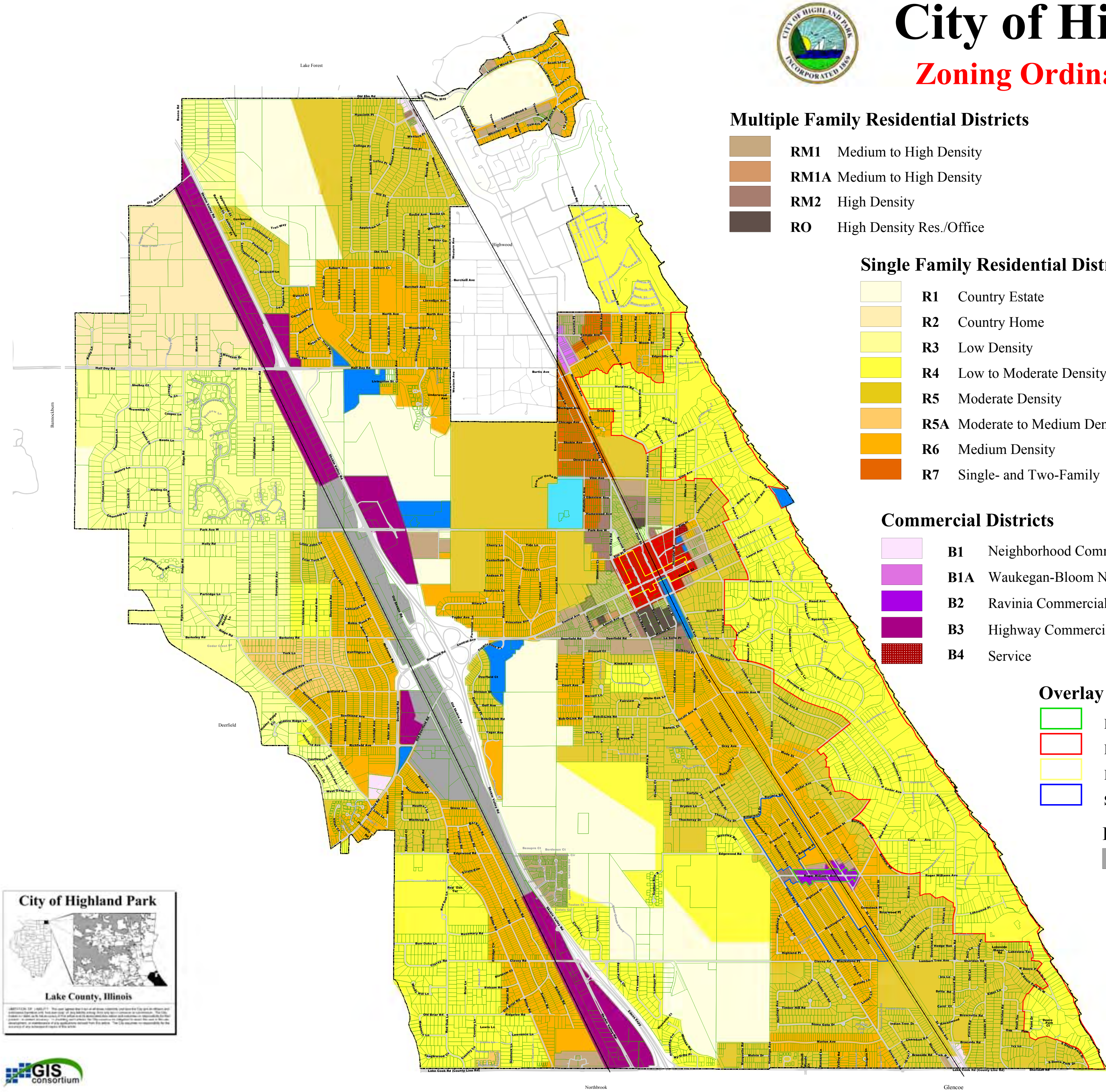
The City Director of Community Development shall have the right, but not the obligation, to adopt, and to amend from time to time, administrative guidelines to assist in the effective implementation of this Code by participants in the Inclusionary Housing Program; provided, however, that any administrative guidelines adopted or amended pursuant to this Section 150.2185 shall not be inconsistent with this Article, and that in the event of a conflict between the administrative guidelines and this Article, this Article shall control.

Attachment 7

Map, Zoning Ordinance Districts

City of Highland Park

Zoning Ordinance - District Map



Multiple Family Residential Districts

		Multiple Family Use - Minimum Lot Area Per Lot	Per Unit	Single Family Use Minimum Lot Area
RM1	Medium to High Density	10,000 sq. ft.	2,904 sq. ft.	7,000 sq. ft.
RM1A	Medium to High Density	21,780 sq. ft.	1,980 sq. ft.	7,000 sq. ft.
RM2	High Density	21,780 sq. ft.	1,442 sq. ft.	7,000 sq. ft.
RO	High Density Res./Office	21,780 sq. ft.	871 sq. ft.	7,000 sq. ft.

Single Family Residential Districts

		Minimum Lot Area
R1	Country Estate	130,680 sq. ft.
R2	Country Home	80,000 sq. ft.
R3	Low Density	40,000 sq. ft.
R4	Low to Moderate Density	20,000 sq. ft.
R5	Moderate Density	12,000 sq. ft.
R5A	Moderate to Medium Density	10,000 sq. ft.
R6	Medium Density	7,260 sq. ft.
R7	Single- and Two-Family	7,000/10,000 sq. ft.

Commercial Districts

- B1 Neighborhood Commercial
- B1A Waukegan-Bloom Neighborhood
- B2 Ravinia Commercial
- B3 Highway Commercial
- B4 Service
- B4-4 Service/Commercial
- B4-5 Service/Commercial
- B4-6 Service/Commercial
- B5 Central Business District

Overlay Districts

- B2-RW Roger Williams Overlay District
- LFOZ Lake Front Density & Character Overlay Zone
- POSO Pedestrian Oriented Shopping Overlay
- SLOZ Small Lot Overlay Zone

Industrial Districts

- I Light Industry

Health Care

- HC Health Care

Public Activity

- PA Public Activity

City of Highland Park

Lake County, Illinois

GIS consortium

Feet

0 800 1,600 2,400 3,200

Date: 5/30/2019